CHAPTER 2

LITERATURE REVIEW

Chapter one briefly explained the research background and also described the research objectives. This chapter reviews the relevant literature which underpins this research and describes how this research relates to existing works on quality management and quality practices in total quality service, approaches to adoption of hard and soft quality factors, relationship between hard and soft quality factors on total quality service. In the literature review, the combination of these four major disciplines provides the theoretical background to the research design for this study.

2.1 INTRODUCTION

In order to examine the relationship between TQM practices, TQM implementation in SME’s sector, Total Quality Service, ISO 9000 and Hard and Soft criteria for TQM implementation, this chapter gives an exhaustive review of literature relevant to the study. It also discusses hypotheses development based on literature review.

2.2 LITERATURE REVIEW

2.2.1 Origin of the Quality Management Concept

According to Juran (1989) the Quality Management System (QMS) is a management approach that originated in the 1950’s and has steadily become popular since the early 1980’s. Quality is the conglomeration of the
culture, attitude and values of an organization that strives to afford the customers with the goods and services that gratify their present and future needs. In order to have this in position, all the aspects of the operations of the organization and its processes are set right at the first time itself and defects controlled to the maximum possible extent.

Quality management is a methodology in which management and employees work hand in hand for the continuous improvement in the production of goods and services. It is a judicious blend of quality tools and management tools aimed at increasing business opportunities and bringing down losses due to wasteful practices. Some of the organizations which have implemented quality management practices successfully in the very early stages include Ford Motor Company, Phillips Semiconductor, SOL Carbon, Motorola and Toyota Motor Company, ISO 9001:2000 describes the quality management practices followed for meeting the requirements of the quality management systems (Juran, 1989).

2.2.2 Quality Journey in Indian SME’s

Neena Sinha et al. (2016) suggested that effect of TQM principles on organizational performance in Small and Medium Enterprises (SME’s) in Indian Auto Component Sector. The study provides evidence that application of TQM principles such as ‘Process Approach’, ‘Mutually Beneficial Supplier Relationship’ and ‘Factual Approach to Decision-Making’ has a positive influence on the performance of Indian Auto component SME’s. This paper identifies the key quality management principles that can influence organizational performance in SME’s in the Indian Auto component sector. The present study highlights the significant impact of predominantly hard factors of TQM such as ‘Process Approach’ and ‘Factual Approach to Decision-Making’ with only one soft factor of TQM namely, ‘Mutually Beneficial Supplier Relationship’ being significant.
Rameshwar Dubey et al. (2015) explained that the mediating effect of Human Resource (HR) between independent variables (i.e. leadership and Quality Culture (QC) and successful Total Quality Management (TQM) implementation for firm performance as dependent variable. The mediation statistics output suggests that HR is a complete mediation between independent variables (i.e. leadership) and successful TQM implementation for firm performance and QC is having direct impact on firm performance without any mediation effect of HR. This study provides an insight into leadership together with right QC mediates with HR practices to help successful TQM implementation for firm performance on the basis of survey conducted among Indian manufacturing sector is unique contribution.

Rana Basu & Prabha Bhola (2015) examined the substantial research exists on quality management practices in context to large organizations with plethora of studies in manufacturing organizations while exiguously aiming service sector SME’s. The contribution of service sector in Indian economy has increased at a faster rate in comparison with other sectors. Twenty service organizations were surveyed for comprehending their adoption of the type of quality management practices. The findings represent that out of twenty one quality management practices; thirteen practices substantially have been ranked on priority while others require phenomenal acclimatization towards implementation in the Indian scenario. Analysis also reflects that the strength of service SME’s lies with customer focus, management leadership and customer feedback.

Talib et al. (2013) investigated the relationship connecting TQM practices and quality concert in Indian service companies. The empirical data was collected using a self-administered tool that was spread to 600 Indian service companies. The result indicates that TQM practices were moderately correlated with quality concert of the Indian service companies. It was also
found that quality culture was apparent as the prevailing TQM practice in quality performance. The supplementary practices such as quality systems, training and education, teamwork, and benchmarking showed an optimistic relationship with quality performance.

Padma et al. (2006) studied the critical factors of ISO 9001:2000 and organizational performance of Indian manufacturing firms explores the critical factors of ISO 9001:2000 and investigates the effect of ISO certification on the performance of an organization, as supported by the management. In order to put on more insight into the exploration, the study analyzed the association between the firm attributes and significant factors, as well as relationship between firm attributes and indicators of organizational performance. From the Indian Product Promotion Centre’s Directory (IPPC 2002), 120 ISO 9001:2000 certified manufacturing firms were randomly chosen and included in the sample. The major findings of the study on Indian manufacturing firms consider soft issues and effective leadership as relatively more important than the methods and procedures they follow.

2.3 EVOLUTION OF QUALITY INITIATIVES IN INDIA

It was in the early eighties that the Confederation of Indian Industries (CII) kicked off its pioneering efforts to promote awareness about quality among Indian industries. In 1982, quality circles took birth in India, and the pioneers to launch this magic tool were Bharat Electronics Limited (BEL), Bangalore, and Bharat Heavy Electricals Limited (BHEL), Tiruchirappalli. In 1986, the CH, then known as CEI (Confederation of Engineering Industries), invited Professor Ishikawa of Japan to India, to speak about quality to the Indian industrialists. Later in 1987, a quality division was set up by CII and this division owed its birth to twenty-one organizations which agreed to support the cause by pooling of resources and pledging to start the journey towards quality. Their chief executives formed the National
Committee on Quality, and quality month was celebrated as an annual event and also launched the first newsletter on quality. In 1987 and 1988, the CII invited the Juran Institute to conduct three workshops in India. In 1989, a team from India attended the Deming Seminar in London. Study teams organized by the CEI were taken to Japan and USA to learn quality practices.

In 1990, the CII consolidated and focused on training programmes in India. It organized the launch of the National Quality Campaign (NQC) led by the Prime Minister of India, in May 1992. It was around this time that the policy of globalization and liberalization was adopted in India, bringing a new dimension to the business and industrial sectors. Thereafter, a new line of thinking in terms of quality, productivity, and competitiveness emerged. Since 1993, the CII has been organizing the quality summit every year. This provided an opportunity for the business leaders, and the senior managers of the member and non-member organizations of CII to network, learn, and contribute through experience sharing, and listening to the experts.

The National Productivity Council (NPC) set up a quality and benchmarking division in New Delhi, and offered quality implementation services, which included modular training programmes and consultancy services. In 1997, the Government of India announced the setting up of the Quality Council of India (QCI) under the Ministry of Industries, providing 50% of the seed capital of Rs. 1.5 crore. The rest of it was contributed by the corporate sector. The setting up of a national agency for quality certification was done as a part of the World Trade Organization (WTO) agreement, under which member countries could not trade in noncertified products for two years down the line. The corporate sector too was demanding the setting up of an internationally recognized quality council, as it was found that the certification process from foreign agencies was too expensive. Besides, it would save vital foreign exchange for the country. The QCI was entrusted
with the monitoring and administering of the NQC and it did oversee the functioning of the National Information and Enquiry Services (NIES) in an effective way.

2.4 ISO 9001:2000 AND TQM IMPLEMENTATION IN SME’s

Garengo & Biazzo (2013) investigated the process characterizing the efficient execution of an Integrated Management System (IMS) in a foremost SME and the key factor enabling the switch from the implementation of ISO quality standards to the execution of an IMS. In order to contribute to this research gap, the study investigated how a leading SME impulsively and efficiently implemented its IMS. The empirical study emphasized two main evidences: need to adopt an incremental approach and presence of some essential enablers supporting the implementation of the IMS.

Psomas (2013) assessed the ISO 9001 effectiveness in service companies. The findings reveal significant level of ISO 9001 efficiency achieved by the service companies working in a business environment where an economic decline dominates. This indicates that service companies are focusing much on satisfaction of customers, prevention of nonconformities as well as continuous improvement. However, there is a chance for further improvement in the level of achievement of the ISO 9001 effectiveness in the service companies.

Psomas et al. (2013) developed an instrument that measures the efficiency of the ISO 9001 Quality Management System (QMS), based on its workings, impart the ISO 9001 objectives; and to authenticate this instrument in the food manufacturing sector. ISO 9001 objectives and their indicators are recognized in the literature. The data collected reveal, the three-dimensional scenery of the ISO 9001 objectives are constant improvement, preclusion of
nonconformities and consumer satisfaction focus. The responding food manufacturing SME’s show a high level of achievement of these objectives. Additional analysis of the data also reveals a suitable underlying factor reflecting the successful achievement of the ISO 9001 objectives.

Sousa-Poza et al. (2013) provided guidance for the implementation of a functional ISO 9001 QMS in SME’s. To help SME’s recognize its starting point, four preliminary states for QMS execution are defined. Five paths for moving the QMS from the preliminary state to the desired state are described. To sustain the changeover from the original to the desired state, some input considerations in implementing a QMS in SME’s are discussed. The research is based on spot visits and execution assistance by the researchers have provided to several SME’s. It is expected that the above work will help managers in SME’s recognize the procedure to implement ISO 9001 and help them steer clear of the development of a paper-driven QMS.

Fotopoulos et al. (2010) examined the inter-relationships of TQM practices in ISO 9000 certified organizations in Greek organizations. The study revealed that practices such as process quality management and employee involvement are mainly influenced by practices such as quality management and customer focus and secondarily by quality improvement tools and techniques. The contribution of companies from all sectors in the research does not offer the possibility to include some special characteristics of each individual sector in the shaping of the management framework.

Kuo et al. (2009) examined effectiveness of ISO 9000 implementations towards TQM practices and operational performance from employees’ perspective. The study utilizes a survey instrument explicitly tied to Malcolm Baldrige National Quality Award’s (MBNQA) criteria, which is frequently used to represent the various views of the constructs associated with TQM. The findings of this study show that ISO certifications
significantly improve the effectiveness of quality management practices and also bring significant benefits to improve the level of quality performance. The findings also reveal that service is experiencing better improvement than manufacturing in the areas investigated.

Arumugam et al. (2008) explored the relationship between TQM practices and quality performance with special emphasis on ISO 9001:2000 certified manufacturing organizations in Malaysia. The findings revealed that TQM practices were found to be partially correlated with quality performance of the Malaysian ISO 9001:2000 certified manufacturing organizations; customer focus and continual improvement were perceived as dominant TQM practices in quality performance.

Kumar & Antony, (2008) assessed the current status of Quality Initiatives (QI) in the UK manufacturing SME’s and reported the differences in the quality management practices of Six Sigma SME’s against the ISO certified firms. Data analysis on the history of QI in SME’s indicated towards the trend that ISO may be the foundation or building block before embarking on Six Sigma. Differences in quality managing practices such as customer focuses and method of knowledge transfer to employees were experimental in Six Sigma and ISO certified SME’s. The main reasons cited for not practicing Six Sigma in SME’s were not having knowledge of the system and inadequate resources. A considerable difference in the performance of Six Sigma firms against ISO certified companies were observed with respect to the strategic and operational measures of organizational performance.

Chen & Island (2007) through their study on the impact of ISO 9000 on TQM and business performance applied SEM to assist in explaining and predicting the relationships between ISO 9000 certification, practices of TQM, organizational competitiveness, satisfaction on customer & business performance. The findings showed that neither ISO 9000 nor TQM has
significant direct positive relationship with business performance. On the other hand, one important result is the strong evidence that both the ISO 9000 certification efforts and TQM practices enhance organizational competitiveness which also improves business performance. It also indicates that ISO 9000 certification efforts and TQM practices have an important positive relationship.

Lewis et al. (2007) through their study on the effect of ISO 9001 on TQM implementation in SME in Trinidad examined empirically the priority weightings to which the criteria and respective objectives of TQM have been implemented in four ISO 9001 certified SME operating Trinidad and Tobago. It pays special attention to the soft objectives since TQM stresses the organization wide involvement of its people. It employs the AHP approach in determining and comparing the percent weightings of the soft and hard criteria and objectives which comprise TQM. The findings recommend that in ISO 9000 certified SME the soft objectives of TQM represent areas of least implementation. This can be addressed by accomplishing programmes designed in alignment with the prevailing culture of the organization. Despite this, the result may be useful to design, implement and continually improve SME’s quality management systems.

Prajogo & Brown (2006) studied the approaches to adopting quality in SME’s and the impact on quality management practices and performance investigated whether embarking on more clearly specified approach to quality, like ISO 9000 first or alternatively TQM makes a difference to quality management practices and performance. Data from Australian managers of small and medium enterprises were analyzed and imply that broader approach to quality, such as TQM produce enhanced quality outcomes. Organizations that had paying attention solely on ISO 9000 did not create any perceptible performance benefits. In general, this study indicates
that time could serve as a proxy to the maturity of TQM implementation as well as its impact on firms’ performance.

Sohail & Hoong (2003) studied the TQM practices and organizational performances of SME’s with and without ISO 9000 certification in Malaysia. A quality measurement skeleton was constructed based on the critical success factors of the TQM. Experimental research was carried out to find out the difference, if any, in the TQM execution and organizational performances of SME’s with and without ISO 9000 certification. Results based on testing the mean differences between firms with and without ISO 9000 certification indicate that there are significant differences in performances between certified and non-certified firms, supporting the hypothesis that ISO 9000 certification contributes to a higher organizational performance.

2.4.1 Steps in Managing the Transition to ISO 9001:2000

Lewis et al. (2006)a emphasized on critical factors and quality management principles that determine the success of TQM as it applies to quality management system implementation in SME’s. The obedience necessities of the ISO 9001:2000 standard is mapped to one or a combination of Quality Management Principles (QMPs) on which the standards are based. These values are grouped as soft and hard and ranked in terms of the number of compliance requirements it represents. Facts shows that, researchers have placed more emphasis on the ‘soft’ factors, but the compliance requirements of the ISO 9001:2000 standard stress more on the ‘hard’ factors.

Lewis et al. (2006)b presented the main findings of an empirical study that investigates the effects of the ‘soft’ and ‘hard’ criteria of Total Quality Management (TQM) in four ISO 9001 certified Small and Medium-sized Enterprises (SME’s) in Trinidad and Tobago (T&T). By reviewing the
literature review, a framework of TQM implementation via ISO 9001 was developed. The framework consists of three levels of criterion, sub-criteria and elements which find out the effectiveness of TQM implementation in SME. The result indicates that the ‘hard’ criteria were implemented much than the ‘soft’ criteria in SME. The AHP results supplement the body of knowledge existing already in conformity requirements of ISO 9001 and provide insights on how SME perceive the importance of ‘soft’ versus ‘hard’ criteria in TQM implementation. The findings emphasize the need to align SME’s’ prevailing quality culture with the management and believe it as one of the focal compliance requirements for future revisions of the ISO 9001:2000 Standard.

2.5 IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT

Al-Dhaafri et al. (2016) examined that one of the primary goals of this study was to examine the joint effect of Entrepreneurial Orientation (EO) and TQM on the organizational performance. The statistical results confirmed the effect of entrepreneurial orientation and TQM on the organizational performance. The results of this study have many practical implications. The results will help managers to take the proper decision when deciding to implement TQM in their organizations. This study is considered as one of the very few empirical studies that examine the effect of EO and TQM of the organizational performance.

Behery et al. (2014) explored the characteristics and issues related to the transition of a United Arab Emirates (UAE) based fast growth SME’s from the traditional Performance Management System (PMS) to a modern PMS through a plan of a prospective Balanced Score Card (BSC) and strategy map for the company. This research places of interest of adoption of a new proactive performance supervision accounting the BSC. Findings show that
BSC initiatives already exists in the company and not evidently linked together and directed towards the effective implementation of BSC system. Such initiatives if included together and associated with the overall objectives and strategies of the company can assist the complete acceptance of the BSC system and exploit achieving enhanced measurement and management of organizational performance.

Calvo-Mora et al. (2014) studied the relationships between soft-hard TQM factors and key business results. TQM is an integral management philosophy which is based on a set of social and technical factors that have to be put into practice through a reference framework, such as one in the European Foundation for Quality Management (EFQM) model. The findings of the work empirically identify three dimensions that correspond to the soft-hard TQM factors (human resources management, strategic management of partnerships and resources and processes management). In addition, it also shows how these proportions make up a managing system that has a significant effect on key business results.

Chen et al. (2014) proposed an alternative perspective for Service Quality Management (SQM) based on the ecosystem of multifaceted and lively service environments. First, the conduct in which systems thoughts and core values of QM evolved are analyzed in sort to be aware of the past, present and the future. Then, by analyzing the theories, models and applications of SQM systems and business ecosystems, a framework model for a service ecosystem was developed. Through two case studies, the differences involving the traditional approach and application of ecosystem theory to SQM are compared and reflected. Results show that ecosystem theory can be used to supervise service quality and to bring about success in value co-creation through new innovative practices.
Ebrahimi et al. (2014) determined the relationship between the multidimensionality of TQM practices and role ambiguity, role argument and role overload. The results support important negative association among some of TQM practices and role argument, role ambiguity and role overload. By utilizing data analysis, information analysis, managing suppliers and process, employees involvement, focus on customer, strategic planning are found to have significant and pessimistic relationship among role stressors. Leadership and focuses on human resource are found to have significant and optimistic relationship among role stressors.

Gashi et al. (2014) contributed to the transition literature by filling an important gap in the perceptive of the SME internationalization process and by identifying a comprehensive set of variables to explain firms’ export behaviour in Transition Countries (TCs). Melitz’s dynamic model of export participation is used as the basis of empirical specification. Using firm-level data, importance of the human and technology-related factors to the export behaviour of SME’s in TCs has been highlighted. The consistency of estimates across the different datasets, both imputed and non-imputed, likewise different specifications, suggests robustness of the reported results. The results are tremendously reliable in terms of the direction of the estimated effects. Moreover, most of the estimated coefficients are consistent across different specifications in terms of statistical significance.

Herzallah et al. (2014) examined the relationship between TQM practices, viable strategies, cost leadership and differentiation and firm performance in the Palestinian economy. Results show that TQM practices have an oblique, positive and significant relationship with monetary concert through competitive strategies. In addition to it, a straight, positive and significant relationship linking competitive strategies and monetary concert was observed. The findings might help managers to implement TQM
practices in order to successfully assign resources and improve financial performance.

Kaur & Sharma (2014) investigated the possible linkages between TQM practices and the performance of a variety of SME’s from manufacturing sector located in tricity. TQM practices have been predominantly considered in bigger organizations, but tiny has been investigated in relative to SME’s, as they present unique challenges to quality management due to their assorted features. The results of the study expose noteworthy optimistic relationship among elements of total quality management and business performance, and the model proposed.

Kumar et al. (2014) aimed to assess and compare the status of Quality Management (QM) practices in the manufacturing SME’s in Australia and UK, to develop better insights into the use of and benefits from such QM practices; identify the trends for implementation of sophisticated QM practices such as Lean and Six Sigma. Networking with government bodies and educational institutions; fact-based decision-making emerged as the two new critical success factors for executing QM in SME’s. Notable improvement in routine metrics was observed in the UK SME’s after implementation of eminence initiatives, though comparable result was not simulated in the Australian sample. The findings confirm that the implementation of Six Sigma is moderately slow in SME’s.

Marimuthu et al. (2014) examined the effect of size on insolvency of SME’s in Malaysia. The conceptual framework is designed using the recommended measures, variables, concepts and models. Percentile method was adopted to categorize the size of SME’s using their total assets values. The results point out that size effect was momentous simply on profitability measures. There were no significant differences among the small; medium
and large SME’s with regard to bankruptcy scores. Large SME’s faced greater financial risk and thus, faced greater risk for insolvency.

McAdam et al. (2014) explored how SME’s in peripheral areas seek to implement innovation from a path point of view by probing the contributions from precursor and moderator variables and auxiliary examined how these path model constructs and relationships put in a causal manner to innovation & implementation at an activity level of analysis. The findings show that at a firm level knowledge factors control innovation execution, mediating factors through knowledge attainment and adaptation which is consistent with potential absorptive capacity, and knowledge sharing linkages.

Wu et al. (2014) explored the extent to which the adoption of High Performance Work Practices (HPWPs) in UK small businesses is associated with the nature of the market in which the business operates, its business characteristics and its access to HR expertise. The analysis suggests that, wherever market-related factors are concerned, the uptake of HPWPs is superior in miniature businesses that entail a highly skilled workforce but is not linked to the quantity of market competition or the occurrence of large leading customers. The analysis also finds superior use of HPWPs in miniature businesses that make contact with external sources of HR advice via membership of company advisory networks or Investors in People (IiP) recognition.

Bon and Mustafa (2013) reviewed the literature on the relationship between TQM and innovation in services organizations, and developed research theoretical framework and initial conceptual model. The hypothesized and conceptualized relationship between TQM practices and innovation model comprises of top management commitment, leadership, involvement of employees, employee empowerment, focus on customer, training, analysis of information, and continuous improvement as independent
variable; and radical/incremental product innovation, radical/incremental process innovation, administrative and marketing innovation as dependent variables.

Allahawiah (2013) provided a model to evaluate the quality of e-commerce systems and electronic services which are widespread and stretchy to reach the ideal model. The proposed model can be used to contrast the quality of e-commerce systems, or to advance the representation and presentation of a particular e-commerce systems or to provide suggestions for designers of the sites where their fortitude to new sites. Results of the study showed that there is a collision of technical attributes, managerial attributes, and human boundary attributes on the concert and excellence of e-commerce systems.

Calvo-Mora Schmidt et al. (2013) investigated the existence of soft and hard TQM factors in the EFQM quality model and their impact on key business results. The findings suggests that the factorial analysis groups together the EFQM's five facilitating agents' criteria in three factors: soft factors, managing the strategy of partnership and resources and process management; the regression techniques point out the influence of the hard factors (managing the strategy of partnership and resources and process management) on the key business outcome and it is renowned that the influence of the soft factors on the results is produced through the mediation of the hard factors of TQM.

Moghimi & Subramaniam (2013) determined the influence of organizational climate on employee’s creativity and innovation which is a spirited benefit for victory and endurance of organizations nowadays. More purposely the study looked at the diverse proportions that comprise organizational climate and examined the relationship between them and employees’ creative behaviour. The results of this study illustrate that
organizational climate has significant influence on employees’ creative behaviour. According to the results, among the diverse dimensions of organizational climate, on condition that resources were the finest predictors of employee’s creative behaviour which followed by mission clarity and leaders’ support.

Ogundele et al. (2013) focused on research based findings of the marketing practice of SME’s in Nigeria. The typical focus of authors on marketing practice is the large firms that have made it in the market place. The marketing practice of SME’s is usually implicit. SME’s lead the background of all economies. Ever since marketing is anxious with the formation of customer, and this should be the suitable basis for the survival of any business organization. The marketing practice of organization that dominates in all economies must be investigated, and implicit so as to be able to advance on the practice.

Abdullah & Jose (2012) investigated the relationship between the practices of soft and hard quality management, and to examine the direct and indirect effects of soft and hard quality management on firm performance. The findings show that soft quality management factors have a positive influence on hard quality management; hard quality management has a direct effect on performance and soft quality management factors have direct and indirect effects on performance. Accordingly, hard quality management acts as a mediating variable between soft quality management factors and performance.

Fening & Reagin (2012) investigated how the implementation of quality management practices will impact on the performance and growth of SME’s in a developing country, Ghana. The results have established that if firms implement quality management practices, it will have a tremendous impact on the performance and growth of SME’s in Ghana. The study also
finds support for the argument that quality management practices improve the organizational performances both in large and small businesses and in any part of the world.

Singh (2011) analyzed the interaction of factors for success of TQM in SME’s aimed to identify and develop the structural relationship among different factors for success of TQM in SME’s. In whole, 11 factors have been identified for successful implementation of TQM. The findings concluded that the top management commitment, training employees and empowerment of employees, supplier development and coordination between departments are found to be the major driving factors for implementing TQM, whereas process management, satisfying the customers, product/service design and quality are observed as dependent variables.

Talib et al. (2011) aimed to categorize TQM practices and examine its relative importance for better implementation in service industries. The virtual importance and ranking of TQM practices in service industries was done through the review of literature, conversation with experts, and the AHP approach. On the whole, 17 TQM practices were identified and further divided into three factor (strategic, tactical and operational) categories. The results help the service industry managers to work upon them based on their relative importance to improve their TQM performance.

Valmohammadi (2011) provided dependable & suitable constructs of TQM and a measurement instrument in the perspective of Iranian manufacturing SME’s and to inspect the effects of these seven TQM criteria, namely: leadership, managing the process, supplier management, focusing the customers, managing the employees, communication and Quality Information System (QIS) and tools and techniques on the organizational performance of the Iranian manufacturing SME’s. The result indicates that leadership plays an imperative role in enhancing organizational performance of the Iranian
manufacturing SME’s; on the other hand, organizations encounter some obstacles in entirely utilizing some TQM criterion.

Ueno (2010) identified the features that are essential in sustaining service quality. A literature analysis was conducted covering TQM, internal marketing, and service quality. From a relative study of these three areas, it was established that there are seven universal features: recruitment and selection, training, teamwork, empowerment, rewards and performance recognition, communication, and culture of the organization. Each of them is argued to be critical for the management of service quality. Although there are other factors that can influence service quality, the detection of fundamental features provides managers and academics with a valuable framework with which to start in pursuit of service quality.

Zakuan et al. (2010) studied the relationship between TQM and organizational performance in automotive industries in Malaysia and Thailand. TQM has been considered as an infrastructural strategy in the operations management research field. It is one of the most recognized models for operational excellence besides lean function, supply chain management, and managing technology. Both production and service organizations tend to implement this strategy in order to maintain their competitive advantage. The study reveals considerable differences in the various TQM practices and their impact on organizational performance of automotive companies in both countries.

Salaheldin (2009) identified the critical success factors of TQM accomplishment, to estimate their contact on the primary measures as expressed by the operational concert and the secondary measures as expressed by the organizational concert, and to find out the effect of the operational performance on the organizational performance of SME’s in the Qatari industrial sector using the Structured Equation Modelling (SEM) approach.
The key findings of the data analysis reveal that there is a substantial positive effect of the TQM implementation on both the operational and the organizational concert. The findings validate the considerable relationship between operational and organizational concert of the SME’s. Overall, the results show the central role of the premeditated factors in the successful implementation of the TQM programmes within the SME’s.

Ueno (2009) identified the features that are fundamental in supporting service quality. Formerly, survey using a questionnaire was conducted and it was found that some management practices were more influential to service quality than others. The purpose of this study was to identify in more detail the reasons behind the survey findings. Eighteen in-depth interviews into a range of management practices which support service quality were conducted. It was found that there were difficulties in implementing some of the management practices due to the type of staff employed and to the nature of tasks undertaken.

Lenka & Suar (2008) examined the literature on TQM in service sector. They identified several quality management practices/core concepts of TQM that can help organizations to achieve business excellence. They are: (a) transformational leadership, (b) customer orientation, (c) human resource management, (d) organizational culture, (e) continuous improvement, and (f) quality measurement. The synergistic effect of these core concepts helps organizations to dynamically maintain a fit with the environment. This study suggests that TQM implementation can improve the competitive abilities of the firm and provide strategic advantages in the marketplace and also leads to improvements in quality, productivity, improvement in employee relations, working procedures, consumer satisfaction, and monetary performance of the firms.
Tseng and Lin (2008) studied on the selection of competitive advantages in TQM implementation using fuzzy AHP and sensitivity analysis examines the total quality management implementation in an organizational system in order to provide a framework in the selection of competitive advantages under uncertainty. A crisis, having a chain of command of four stages and containing diverse criteria and attributes, demonstrates the implementation of the system. The study assessment criteria include effective leadership, managing people, focus on customer, strategic plan and process management, whereas the competitive advantages are cost, quality, delivery and flexibility. The research findings suggest that the implementation of flexibility as a major competitive advantage with a higher uncertainty and delivery with a lower uncertainty.

Ueno (2008) showed that seven practices occur most frequently in the three areas and may be regarded as the predominant features in the promotion of service quality. A questionnaire survey of medium and large-sized mass and technological services in the UK was conducted. In empirical analysis based on data from a questionnaire survey, the relative importance of ‘the seven corresponding features’ was put in order, and it found that the quality service and management practices were all significantly associated in mass services, but not in the case of technological services.

Chileshe (2007) aimed to provide a practical approach for understanding the Quality Management (QM) terminology. From the literature, accessible QM measurement instruments, the terminology identified is grouped as constructs, practices and tools or techniques. QM is then viewed as an amalgamation of the three sets. This study reports on the research which investigates the execution of TQM within the construction related SME’s. The study classifies the extensive areas of SME’s where researchers can align their TQM applications, into one of the following areas:
customer/supplier/HRM/ process oriented TQM dimensions were deemed to be interrelated and mutually support each other.

Saravanan & Rao (2007) examined the impact of TQS age on quality and operational performance. Out of the 12 critical dimensions of TQS, the two ending constructs, namely focus and satisfaction on customers and satisfaction of employees, have been considered for measuring quality concert while the other ten dimensions have been considered for measuring operational performance. The results imply that the firms can get back their returns on investments in their quality management initiatives within three years of TQS implementation. It has been observed that as TQS age maximizes, quality as well as operational performance also maximizes, because firms get new and more experienced in effective implementation of TQS in a continuously improving environment.

Saravanan & Rao (2006) research work on development and validation of an instrument for measuring total quality service has been conducted in the service industries with detailed reference to the automobile service stations. After a widespread literature review, the researchers have recognized 12 dimensions as critical for implementation of TQM in service industries. The data analysis findings show that all 12 critical dimensions in the instrument are independent and highly correlated among themselves.

Lewis et al. (2005) found out that SME’s were focused on systems development and continual improvement, but were least able to effectively determine their tactical path. In addition to it, the possible benefits that could be derived from TQM criteria were lacking in the areas of top management commitment and gap analysis. Having conformity necessities that transaction directly with these areas would help SME’s align their quality management practices with quality culture and strategic process changes towards TQM.
Wong (2005) aimed to bridge the gap on Critical Success Factors (CSFs) for implementing knowledge management in SME’s. A literature study comprises of CSFs from large companies’ perspectives and has not measured the needs of the less important businesses. By integrating the insights drawn from the existing studies as well as adding some new factors, the author proposed a set of 11CSFs which is believed to be more suitable for SME’s. The projected CSFs were theoretically discussed and adequate. In addition, a sensible assessment was conducted to estimate the extent of success of this proposition. On the whole, the results from the experimental assessment were supportive, thus reflecting the suitability of the proposed CSFs.

Wong and Aspinwall (2005) work was to investigate the CSFs for adopting Knowledge Management (KM) in SME’s - an area that has, to date, expected very tiny attention in the literature. An investigation device comprising 11 factors and 66 elements was developed. An equivalent one was also administered to a set of academicians in the KM field in order to present a more holistic view of the CSFs. By integrating the outcome from both groups of respondents, a prioritized listing of CSFs for implementing KM was generated. It was established that management leadership and support was supposed to be the most critical factor, whereas measurement was the slightest.

Sureshchandar et al. (2001) study on a holistic model for total quality service is an earnest endeavour that addressing the critical dimensions of TQS that will depict a holistic TQM philosophy in service organizations. Based on the literature, the study has acknowledged 12 dimensions as crucial for the inculcation of a TQM ambience in a service set-up. The criticality of each of these dimensions from a service perspective is explained in detail. A mechanism to measure TQS with specific reference to the banking sector has
been developed. A model for TQS has been projected, illustrating the associations between the various dimensions. This work adds value to the literature by contributing to the establishment of a paradigm for TQM in service ambience.

2.6 HARD AND SOFT CRITERIA FOR TQM IMPLEMENTATION

Abdullah et al. (2009) examined the influence of soft factors of quality management on firm performance, and analyzed the link between quality improvement practice and firm performance. The findings showed that the soft factors like top management commitment, customer focus and involvement of employees have significant influence on firm performance. Finally, this study has empirically revealed that firm performance will increase when the organizations implement more quality improvement practices. The results may also be used by managers to prioritize the execution of the soft factors in order to allocate resources to improve firm performance.

Fotopoulos & Psomas (2009) explored the relationships between ‘soft’ and ‘hard’ TQM elements and quality management results. The study proved that quality improvement and the consolidation of the company’s market position are influenced mainly by adopting ‘soft’ TQM elements and secondarily ‘hard’ TQM elements. However, tools are only the ‘vehicle’ to quality improvement. Quality tools usage alone cannot lead a company to continuous improvement in process, customer fulfilment and consolidation of its market place, without the proper supervision by top management and employee and supplier support.
Gadenne & Sharma (2009) investigated the key ‘hard’ and ‘soft’ quality management factors used by Australian SME’s and their association with organizational performance. They found that improved overall performance was influenced by a blend of ‘hard’ TQM factors and ‘soft’ TQM factors. In addition to this, the TQM factors like training employees, efficiency improvement, and employee/customer involvement would appear to be important in maintaining customer satisfaction, at the same time as employee and customer involvement also appeared to be important in maintaining a competitive edge in terms of return on assets.

Abdullah et al. (2008) investigated the influence of soft factors on quality improvement and performance and also to examine the link between quality improvement and performance of organization. The subsequent soft factors were found to have considerable influence on quality improvement: management commitment; customer focus; employee involvement; training and education; and reward and recognition. Organizational performance was considerably influenced by the following soft factors: management commitment; customer focus; and employee involvement. The study empirically shows that firm performance will increase when the organizations implement more quality improvement practices.

Rahman & Bullock (2005) studied on soft TQM, hard TQM, and organizational performance relationships: an empirical investigation. Reviews of TQM suggest that hard TQM has a insightful impact on organizational performance. Conversely, most empirical studies have examined the impact of each dimension of TQM on performance separately. It is more suitable to examine the direct impact of soft TQM on the discussion of hard TQM, and then assess the direct impact of hard TQM on performance. Findings indicate that there is a considerable positive relationship between soft TQM and hard TQM elements. In accumulation to direct affects, soft TQM also not having
direct affect on performance through its effect on hard TQM. The outcome of this study recommends that in universal, the elements of soft TQM are extensively related to the measures of organizational performance.

Sureshchandar et al. (2002) examined the influence of TQS dimensions on customer-perceived service quality. The results indicates that the TQS dimensions, as a total, are definitely good predictors of service quality. Furthermore, the soft issues of TQS (such as human resource management, focus on customer, service levels, satisfying employees, management involvement and leadership and social responsibility) seem to be more vital than do hard issues in positively influencing customer-perceived service quality.

2.7 HYPOTHESES DEVELOPMENT BASED ON LITERATURE

1. There is no significant difference between the position and hard TQS element in SME’s
2. There is no significant difference between the educational qualification and hard TQS element in SME’s
3. There is no significant difference between the age and hard TQS element in SME’s
4. There is no significant difference between the experience and hard TQS element in SME’s
5. There is no significant difference between the nature of living and hard TQS element in SME’s
6. There is no significant difference between the no. of employees and hard TQS element in SME’s
7. There is no significant difference between the position and soft TQS element in SME’s
8. There is no significant difference between the age and soft TQS element in SME’s

9. There is no significant difference between the experience and soft TQS element in SME’s

10. There is no significant difference between the nature of living and soft TQS element in SME’s

11. There is no significant difference between the company’s place and soft TQS element in SME’s

12. There is no significant difference between the no. of employees and soft TQS element in SME’s

### 2.8 SUMMARY

This chapter gave the details of various studies conducted in the area of TQM implementation and its impact on SME’s. Next chapter discusses about research methodology of the study.