



Human Resource Management

Elixir Human Res. Mgmt. 51 (2012) 11029-11033

Elixir
ISSN: 2229-712X

Role of top management leadership and commitment in total quality management in service organization in Malaysia: A review and conceptual framework

Esam M. A. Mustafa and Abdul Talib Bon

Faculty of Technology Management and Business, Universiti Tun Hussein Onn Malaysia, Parit Raja, Batu Pahat Johor, Malaysia 86400.

ARTICLE INFO

Article history:

Received: 7 July 2012;

Received in revised form:

30 September 2012;

Accepted: 24 October 2012;

Keywords

Top management,
TQM,
Service Organizations,
Malaysia.

ABSTRACT

Purpose of this paper is to review the role and impact of top management commitment and leadership on total quality management (TQM) in service organizations in Malaysia, and to come out with a conceptual framework model. A total of 15 related studies selected from well known electronic academic resources and databases (e.g. Emeraldinsight, Elsevier Scencedirect and Scopus) and deeply reviewed. A proposed conceptual framework developed according to the finding and theoretical dimensions of those papers. Outcomes of this paper will: enrich the literature in the field; will underline trends of the research in role of top management leadership and commitment in TQM practices; and will provide fresh insights to academic researchers interested in the field of TQM as well as to organizations managers.

© 2012 Elixir All rights reserved.

Introduction

With respect to the extensive conformity that TQM is one of the successful methods used to achieve higher performance and productivity in manufacturing related organizations (Flynn et al., 1994; Teh et al., 2009; Ang et al., 2011), many researchers (Samat et al., 2006; Huq, 2005; Agus & Abdullah, 2000; Brah et al., 2000) revealed that literature of TQM practices and implementation in services sector still lack. In response to that, academic researchers started paying more attention through studying, investigating and evaluating TQM initiatives and practices in different service sector organizations. These studies came out with contradicted and varied results. However, the majority agreed that top management leadership and commitment has a crucial role in TQM implementation.

More to the point, role of services sector in Malaysian economic is imperative. It has the largest share of GDP and faster growth rate. In 2011, the sector contribution was 58.6 per cent of the GDP and recorded growth rate of 6.8 per cent. It accommodated employment of 6.5 million persons which is 53.3 per cent of total employment in 2011 (Malaysian Investment Development Authority MIDA, Malaysian investment performance report 2011).

Thus, this paper will review the role of top management leadership and commitment as TQM construct in most recent studies conducted in service organizations in Malaysia. This will highlight trends of the research in this field. Moreover, this will contribute to the existing literature and provide fresh insights to academic researchers as well as to organizations managers.

Top management Leadership and Commitment

Top management leadership is the degree of which top management sets up QM objectives and strategies, provides and allocates necessary resources, contributes in quality improvement efforts, and assesses QM implementation and performance (Saraph et al., 1989). Many TQM gurus such as

Deming (1986); Crosby (1980); Oakland (1993); Kanji and Baker (1990) and Feigenbaum (1986) pointed the vitality role of top management commitment and leadership in TQM implementation. The commitment of top management is generally a preliminary point for implementing and practicing TQM to enhancing performance of an organization (Ahire & Ravichandran, 2001). It is impracticable to adopt QM and improve performance without strong top management support (Flynn et al., 1995). Top management carries the primary responsibility for commitment to quality and support efforts necessary to successful TQM implementation (Crosby, 1979). Hence, the most critical factor contributes to successful TQM program is top management (Ramirez & Looney, 1993; Lewis & Smith, 1994).

TQM in Malaysia

Total quality is a broader concept that comprises not just the effect but quality of processes and the quality of people (Rohaizan & Tan, 2011). There are many definitions for TQM and no commonly agreed one (Deros et al., 2008). According to Mann and Kehoe (1996), definitions of TQM fall into two categories: definitions define TQM in terms of its goal; and definitions define TQM in terms of practices and functions. Dale (1993) defines TQM as "the mutual cooperation of everyone in an organization and associated business process to produce products and services, which meet the needs and expectations of the customers". While Kanji (1990) defines TQM "as a way of life an organization committed to customer satisfaction through continuous improvement". Berry (1991) defines the TQM process as "a total corporate focus on meeting and exceeding customers' expectations and significantly reducing costs resulting from poor quality by adopting a new management system". While, Juran and Gryna (1993) define TQM as "a philosophy aimed at achieving business excellence through the use and application of tools and techniques, as well as

management of soft aspects, such as human motivation in work”.

Since 1990s, Malaysian government deemed TQM as the most appropriate and holistic improvement approach to reform the public sector. Malaysia started to adopt TQM practices and activities in several aspects of its economy (Rohaizan and Tan, 2011). In 1991, the government launched The Malaysian Administrative Management and Modernization Unit (MAMPU) which is the Secretariat for the Prime Minister's Quality Awards. Since then, MAMPU has played a significant role helped in assessing TQM in Malaysia. According to Zainal and Zuraidah (2000) as cited in (Rohaizan & Tan, 2011), TQM in Malaysia was mostly applied in bigger organizations, chiefly in the electrical and electronics sectors. However, TQM been adopted in most established service and manufacturing organizations with its all levels.

Literature Review

Ang *et al.* (2011) conducted study to examine the impact of TQM practices on customer orientation and learning organization in Malaysian service sector. The authors employed various analysis techniques and methods to conclude that leadership has no significant relationship with customer orientation comparing with other TQM constructs examined by the study. Apart from result obtained, the authors found leadership is not one of the three factors that have a considerable relationship with organization learning. The investigation involved 600 small service organizations selected from Federation of Malaysian Manufacturers (FMM) Directory (2007). Activities of these organizations varies to cover most of service business types such as banking and finance companies, consulting service companies, insurance companies hotels and courier service.

Similar to the above results approaches, one of the obvious implications of a study conducted by Keng and Abdul-Rahman (2011) is that top management in construction companies need to be more helpful and effective towards TQM practices and implementation. The authors interviewed senior projects manager in 12 construction companies in Malaysia. The study aimed to explore the practices of quality management, management commitment in quality management, and quality management implementation problems in construction projects. Ab Wahid *et al.* (2011) investigated top management commitment role in maintenance of ISO 9000 and in outcomes of QM system, practices and implementation in two large service organizations. The investigation concerned with top management commitment and leadership from different approaches such as involvement in quality improvement, providing necessary resources and showing steady commitment to quality perfection.

Through applying different analysis techniques, the results showed a variation in extent of top management commitment role in ISO 9000 maintenance and QM system and practices between the two organizations. The respondents of the first company reflected higher positive statements on their top management. The final conclusion of the study emphasized on the positive role of top management in ISO 9000 maintenance and QM system outcomes.

Apart from their study, Rhaizan and Tan (2011) investigated ISO 9000 certified service companies operating in Klang, Malaysia. The study aimed to identify the most important factor for the implementation of TQM. Based on the analysis of the data obtained, findings rated management leadership and

commitment factor as the second imperative factor in implementation of TQM in the service organizations put under investigation.

From service quality approach, Sit *et al.* (2011) proved in context of their study that leadership as TQM construct has strong positives association with service quality in the commercial banks in Malaysia.

The study targeted middle management employees in 20 commercial banks listed in FMM. The main objective of the study was to examine the association between TQM practices and service quality in Malaysia's commercial banking industry. The authors drew from the results that the challenge of top management leadership in commercial banks is to satisfying customers with high quality services.

The same degree of importance of management leadership is supported by finding of a study conducted by Noor Azman *et al.* (2010). Outcomes of the study showed visionary leadership as one of most four critical human resource related factors that promise successful TQM implementation in high education institutes in Malaysia.

The authors discussed vitality and criticality function of visionary leadership in high education institutions. This importance occurs in involvement of top executives in creating sustains and customer orientation work dimension and presenting apparent quality values in their institutes.

In the vein of the above study, the positive impact of leadership in TQM in high education has been outlined in a study conducted by Rafikul Islam (2007). The author assigned weights to the criteria of Malcolm Baldrige National Quality Award (MBNQA) from perspective of academics and managers in Malaysian high education institutes. By applying analytic hierarchy process (AHP), leadership with its two sub criteria (senior leadership and Governance and Social Responsibility) weighted higher than that in MBNQA. According to new weights assigned to the TQM criteria including leadership, the author proposed a model to base for national Malaysian award regarding TQM in education.

Teh *et al.* (2009) investigated role of leadership in context of TQM practices and implementation from other approaches. Objective of their study was to examine the relationship between TQM practices and role stressor. ISO 9000 certified service firms in Malaysia were apart from the study scope. The study indexed dimensions of TQM practices and role stressors in service firms. Contradictory to the high education and commercial banks cases, the index revealed that leadership has potentially negative impact on role stressors.

Paradoxical to the above outcomes and supporting the findings in commercial banks and high education preceding cases, leadership has high positive role in quality management in Malaysian public hospitals. Abd Manaf (2009) concluded this from a study involved three levels of hospitals (district, state and Hospital Kuala Lumpur as national referral centre) throughout Peninsular Malaysia. Details of findings from analysis were that “*The finding seems to suggest that leadership and management commitment is higher in district level hospitals than in state and national level hospitals. It also suggests that this factor is higher in state level hospitals than in the national referral centre.*”

Sit *et al.* (2009) performed a study resulted that leadership as a TQM dimension in Malaysian service firms has significant positive impact in enhancing customer satisfaction.

Table 1: Studies on relation of TQM practices in Malaysian service organizations

Author	Data source	Analytical approach	Independent variable	Dependent variable	Findings
Ab Wahid <i>et al</i> (2011)	2 services organizations in Malaysia	Qualitative	None	None	Top management has positive role in ISO 9000 maintenance and QM system outcomes
Rhaizan and Tan (2011)	65 manufacturing and service organizations in Klang, Malaysia	Descriptive test and reliability	None	None	Rated management leadership and commitment as second important factor in success of TQM in service organization
Ang <i>et al</i> (2011)	600 service organizations in Malaysia	Correlation	TQM practices: Leadership, Strategic planning, Customer focus, Human resource focus, Information analysis, Process management	customer orientation and learning organization	Leadership has no significant relation with customer orientation or learning organization
Keng and Abdul-Rahman (2011)	12 project management practitioners	Qualitative	None	None	Leadership is not strong enough in TQM in construction projects
Sit <i>et al</i> (2011)	20 commercial banks in Malaysia	Correlation	TQM practices: Leadership, Strategic planning, Customer focus, Human resource focus, Information analysis, Process management	Service quality	Leadership as TQM construct has strong positives association with service quality
Noor Azman <i>et al</i> (2010)	6 higher education institutes in Malaysia	Correlation	HR-TQM factors	performance indicators, adopted from the MBNQA 2003 Education Criteria: student learning results, staff satisfaction results, stakeholders expectation results, financial and organizational performance	Leadership as one of most four critical human resource related factors that promise successful TQM implementation in HE
Teh <i>et al</i> (2009)	100 manufacturing and service ISO 9001 firms	Correlation	TQM practices: leadership, strategic planning, customer focus, human resource focus, process management and information analysis	Role stressors: role conflict and role ambiguity	Generally leadership has negative impact on role stressors in service firms
Abd Manaf (2009)	23 public hospitals from Peninsular Malaysia	Extraction and variation	None	None	Leadership is one of high practiced factor and has high positive role in practicing and applying quality management in Malaysian public hospitals
Sit <i>et al</i> (2009)	140 managers from ISO 9001 certified Malaysian service firms	Structural equation modeling (SEM)	TQM practices: leadership Process management, human resource, customer focus, information analysis and strategic planning	customer satisfaction	leadership has significant positive impact in enhancing customer satisfaction
Jusoh <i>et al</i> (2008)	231 academic researchers from 4 Malaysian public research universities	Extraction	None	None	Top management leadership is a major factor in TQM programs and initiative R&D.
Rafikul Islam Mustapha (2008)	72 managers and employees from one big e-purse company	Inferential statics analysis and probability	None	None	Top management's commitment has no significant contribution to the success of TQM implemented
Rafikul Islam (2007)	11 top managers and 39 academicians from 3 Malaysian universities	analytic hierarchy process (AHP)	None	None	Leadership from Malaysian perspective weighted higher importance than that in MBNQA
Samat <i>et al</i> (2006)	Managers of 101 service organizations in the northern region of Malaysia	Correlation	Management support and commitment, employee involvement, employee empowerment, information and communication, training and education customer focus and continuous improvement	Service quality and market orientation	Management support and commitment had no significant effect on service quality or on market orientation
Sohail <i>et al</i> (2004)	113 Malaysian firms	ANOVA analysis and post hoc comparisons	None	None	Top management initiatives in logistic business area is a major drive to implement TQM programs and practices
Sohail and Hoong (2003)	80 small and medium enterprises (SMEs) with and without ISO 9000 certification in Malaysia	Comparison	None	None	Top management leadership had a significant positive relationship with the organization performance

The authors furthered arguing that criticality of leadership role, especially within service context, fall into one core principle “making the right management decisions” in order to “pleasing customers” by creating one-vision culture in the organization through reflecting high commitment and effective leadership.

Jusoh *et al* (2008) determined that top management leadership is a major factor in TQM programs and initiative especially in the context of research and development (R&D). Purpose of the authors’ study was to determine the constructs of TQM in the R&D context from academic researchers’ perspectives. It involved researchers in the field of science and technology from the largest four public Malaysian universities. The investigation of the role of top management leadership was conducted from different approaches such as commercialization of research findings, research coaching and commitment to R&D activities. The fresh insight showed in this study was combination of two TQM practices, leadership and strategic planning, in one construct namely top management leadership.

Based on a case study, Rafikul Islam (2008) reported that top management’s commitment did not contribute to the success of TQM programs implemented in the company on the study. Furthermore, and based on less number of respondents to questionnaire and interviews of the study, the author reported the same factor as one of the factors that contributed to the failure of the program. Accordingly, the author recommended top management’s commitment need pay more attention by the company in order to implement TQM program successfully. It is worth mentioning that the Malaysian company interested by the author is considered as the fourth largest e-purse system in the world.

Samat *et al* (2006) explored the relationship between management support and commitment and service quality as well as the relationship between management support and commitment and market orientation. The authors concluded that this construct had no significant effect on service quality as well as on market orientation comparing with other constructs of TQM examined in the study. Service organizations put under study were from different business activities such as banking, education, private and public utility service and consulting service. All organizations practiced TQM in their operations and located in northern Malaysian states (Perak, Kedah, Penang and Perlis).

In contrast to the preceding case finding, in logistic business area top management initiative is a major drive to implement TQM programs and practices (Sohail *et al*, 2004). Furthermore, the study findings indicated that senior executives were not one of the obstacles of TQM implementation funding. These findings are based on data analysis results in their study. The data collected from total of 113 firms listed in FMM and Kuala Lumpur Stock Exchange (KLSE). Of the 113 firms, 45 were services firms and majority of them implemented TQM programs. The overall purpose of the study was to examine the implementation of TQM practices in the logistic function.

Sohail and Hoong (2003) performed an empirical study to examine and to compare the total quality management (TQM) practices and organizational performances of small and medium enterprises (SMEs) with and without ISO 9000 certification in Malaysia. Part from these firms a total of 20 service organizations with and without ISO 9000 certification included under the study. Based on the analysis outcomes, it can be implied that top management leadership is one of the TQM

factors that had a significant positive relationship with the organization performance in ISO 9000 certified organization.

Conclusion

From the preceding review, it can be seen that studies vary in views and perspectives to the role of top management leadership and commitment within Malaysian service sector organizations. Majority findings, however, unanimously claims the criticality and vitality role of top management leadership and commitment in setting up and deploying TQM system and philosophy as summarized in table 1. Nevertheless, it is difficult to find out from this literature deep argument in how this role is important and how it linked to other TQM practices. Accordingly a proposed conceptual model developed, as in figure1. The model tries to link the role of top management to other common TQM practices such as employee empowerment and communication as well as to link between this role and other areas emerged from the literature review.

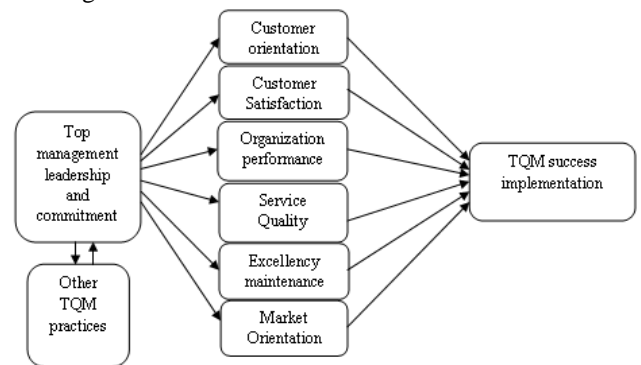


Fig.1. Conceptual framework model

References

- Abd Manaf Noor Hazilah. (2009). Practice follows structure: QM in Malaysian public hospitals. *Measuring Business Excellence*, 13(1), 23 – 33
- Agus, A. (2000). Reducing the Effects of Multi co linearity Through Principle Component Analysis: A Study on TQM Practices. *Malaysian Management Review*, 35(1), 43-50.
- Agus, A. and Abdullah, M. (2000), “Total Quality Management Practices in Manufacturing Companies in Malaysia: An Exploratory Analysis. *Total Quality Management*, 11(8), 1041-51.
- Ahire, S.L., Ravichandran, T. (2001). An innovation diffusion model of TQM implementation. *IEE Transactions on Engineering Management*, 48(4), 445-64
- Ahmad Jusoh, Rushami Zien Yusoff, Shahimi Mohtar, (2008). Determining TQM practices in university R&D activities using factor analysis: Research experience of Malaysian universities, *Jurnal Kemanusiaan*, 11
- Ang, Y-S., Lee, V-H. and Tan, B-I. and Chong, A.Y-L. (2011) ‘The impact of TQM practices on learning organization and customer orientation: a survey of small service organizations in Malaysia’, *Int. J. Services, Economics and Management*, 3(1), 62–77
- Berry, T.H. (1991), *Managing the Total Quality Transformation*, McGraw-Hill, New York, NY.
- Crosby, P.B. (1980). *Quality is Free – The Art of Making Quality Certain*: McGraw-Hill Book Company: New York.
- Dale, B.G., and Cooper, C. (1993). *Total quality and human resources: An executive guide*: Oxford. Blackwell
- Deming, W.E. (1986). *Quality, Productivity and Competitive Position*: MIT Press

- Feigenbaum, A.V. (1986). *Total Quality Control* (3rd Edition): McGraw-Hill Book Company, Singapore.
- Flynn, B.B., Schroeder, R.G. and Sakakibara, S. (1994). A Framework for Quality Management Research and an Associated Measurement Instrument. *Journal of Operations Management*, 11, 339–366
- Flynn, B.B., Schroeder, R.G. and S. Sakakibara, (1995), The impact of quality management practices on performance and competitive advantage. *Decision Science Journal*, 26 (5), 659-691
- Juran, JM, Gryna, FM (1993), *Quality Planning and Analysis* (3rd edition): McGraw-Hill, New York
- Kanji, G.K. and Baker, R.L. (1990). "Implementation of Total Quality Management", *Total Quality Management*, 1 (3), 375-389.
- Kehoe, D.K. (1996). *The fundamentals of quality management*: London. Chapman & Hall
- Lewis, R.G., & Smith, D.H. (1994). *Total quality in higher education*. Florida: St. Lucie
- Malaysian Investment Development Authority (MIDA), Malaysian investment performance report 2011. Available at: <http://www.mida.gov.my/env3/index.php?page=performance-report>
- M. Sadiq Sohail, Amrik S. Sohal, Robert Millen.(2004).The State of Quality in Logistics: Evidence from an Emerging Southeast Asian nation, *International Journal of Quality & Reliability Management*, 21(4), 397–411
- M. Sadiq Sohail, Teo Boon Hoong, (2003), TQM practices and organizational performances of SMEs in Malaysia: Some empirical observations, *Benchmarking: An International Journal*, 10(1), 37 - 53
- Noor Azman Ali, Fauziah Mahata and Mohamed Zairi. (2010), Testing the criticality of HR-TQM Factors in the Malaysian Higher Education Context. *Total Quality Management*, 21(11), 1177–1188
- Nusrah Samat, T. Ramayah, Norizan Mat Saad, (2006), TQM practices, Service Quality, and Market Orientation: Some empirical Evidence from a Developing Country, *Management Research News*, 29(11), 713 – 728
- Oakland, J.S. (1993). *Total Quality Management*: Butterworth-Heinemann
- Pei-Lee Teh; Chen-Chen Yong; Veeri, A.(2009) "A paradigm for developing TQM-Role Stressors model and index. *IEEE International Conference on Industrial Engineering and Engineering Management*, 940-944
- Rafikul Islam* and Mohamad Reeduan Mustapha, (2008). Organizational Approach to Total Quality Management: A Case Study, *Aasian journal of business and accounting*, 1(2),19-38
- Rafikul Islam, (2007). MBNQA criteria in education: assigning weights from a Malaysian perspective and proposition for an alternative evaluation scheme. *International Transactions in Operational Research*, 14, 373–394
- Ramirez, C., & Looney, T. (1993). Baldrige award winners identify the essential activities of successful quality process. *Quality Digest*, January. 38–40
- Rohaizan R, and P.Y.Tan. (2011), The Practices of TQM Among MS: ISO 9000 Certified Company. *3rd International Conference on Information and Financial Engineering IPEDR*, 12: IACSIT Press, Singapore
- Roslina Ab Wahid, James Corner, Peck-Leong Tan, (2011), "ISO 9000 maintenance in service organisations: tales from two companies", *International Journal of Quality & Reliability Management*, 28(7), 735 – 757
- Saraph, J.V., Benson, P.G., and Schroeder, R.G. (1989). An Instrument for Measuring the Critical Factors of Quality Management. *Decision Sciences*, 20(4), 810-829
- Sit, W-Y., Ooi, K-B., Loke, S-P. and Han, G.T.W. (2011) 'TQM and service quality: a survey of commercial banking industry in Malaysia. *International Journal of Services, Economics and Management*, 3(1),78–91.
- Tan Chin-Keng Abdul-Rahman, Hamzah. (2011) Study of Quality Management in Construction Projects. *Chinese Business Review*, 10(7), 542-552
- Wen-Yi Sit, Keng-Boon Ooi, Binshan Lin, Alain Yee-Loong Chong, (2009), TQM and customer satisfaction in Malaysia's service sector, *Industrial Management & Data Systems*, 109(7), 957 – 975