

# INTERRELATION BETWEEN TOTAL QUALITY MANAGEMENT AND LEARNING ORGANIZATION

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**Abstract:** *In the global competition of economy, with the increased pressure of competition in business, more and more companies have discovered organizational learning as an instrument of strategic intervention for supporting the process of organizational change and implementation of total quality management. Focused on this subject, the paper debates aspects that are considered relevant for the correct understanding of those elements that define the relation between the quality management and learning organizations. The study is based on the theoretical and applied research that we have done on implementation of quality management in learning organizations. This research suggests there is a significant relationship between learning organization and total quality management in theory and practice.*

**Keywords:** *quality, total quality management, learning organization, knowledge.*

**JEL Classification:** *M12, I21, I25*

## 1. Introduction

The crystallization of the knowledge economy determines the outlining of new orientations in the evolution of the organisations and imposes a proactive attitude aiming at the acquirement of the advanced knowledge and ensuring of continuous quality improvement through the implementation of Total Quality management. Total Quality management is based on an organization preoccupied with the investments in development of knowledge for their employees. TQM practices encourage the organizational learning and illustrate the importance of the advanced knowledge as the core component of a management based on quality. Many authors consider that learning organization has a determinant role in creating quality and new knowledge and

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favourable exploiting of market opportunities. In this sense, the learning organization is an ideal towards which the organization must evolve to meet the different pressures through individual and collective learning (Easterby-Smith et al., 1999). In many studies a strong relationship between TQM practices and the learning organization was found. Being defined as a “group of workers dealing with a conception work, interconnected through a computerized infrastructure”, this new organizational model is able to develop and value the employees’ creative potential, the knowledge being the basis of all the operations and production processes, of strategies and business tactics (Holsapple, C.W., Whinston, A. B., 1987). This organisational model, as a whole, is essential to effective quality management. There must be said, that the creation of a learning organization and the development of the processes of implementing the TQM practices at the level of the organizations are extremely complex actions. In order to achieve these ones, there are necessary activities which should promote the development of the innovative competences and of the new knowledge and their use for implementation of a management based on quality.

With all the aspects taken into account, this article illustrates the importance of learning organization for implementation of a management based on quality, able to create and exploit knowledge for achievement the organisational goals. This analysis adds knowledge in understanding the requirements on the stimulation of the process of the organizational learning and the adoption of the best practices of quality management at the organizational level.

## ***2. Relevant aspects related about learning organisation***

The development of a learning organization is supported by the implementation of quality management. This statement is demonstrated by many theoretical and practical studies and has been largely embraced by the quality community. Even though the specialists define the learning organisation in many different ways, all studies show that the learning organisation signifies more and is no longer limited to learning. Nowadays, the organisations have understood the solicitations imposed by the knowledge society and heavily invest in the knowledge creation at the organizational level, in the processes of innovation of products and services. Regarded from this perspective, the learning organization is “a type of organization which is always able to provide, innovate and find more effective means for its goals achievement” (Mahapatro,

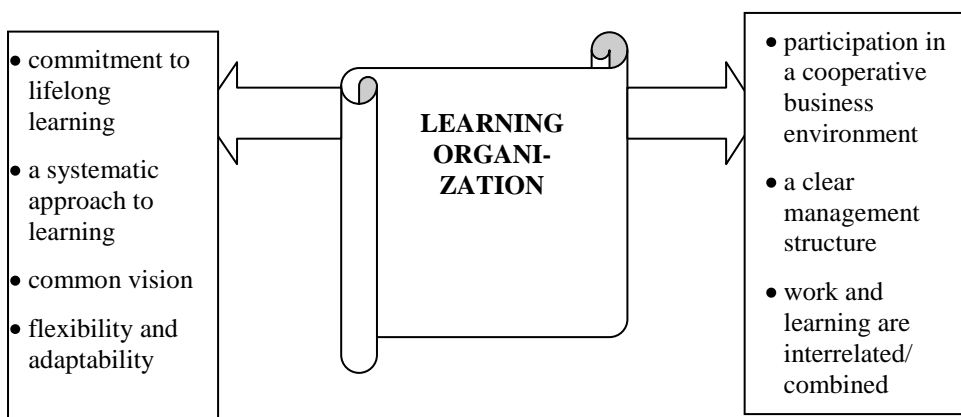
2010 pg.3). In the same way, Senge (1990) considers that a learning organization is "an organization that continually expands its capacity to create the future. For such organizations, it is not enough to survive on the market". In his vision, the organization is described as a group of people that work together to improve the collective capacities, in order to obtain the desired results. He defines a learning organization through five elements: systems thinking, personal mastery, mental models, shared vision and team learning. Similar to this is the approach of Garvin (2000) that considers a learning organization as "an organization skilled at creating, acquiring, interpreting, and transferring, and retaining knowledge, and at purposefully modifying its behaviour to reflect new knowledge and insights". In the opinion of the same author (Garvin, 1998) a learning organization has the following building blocks:

- systematic problem solving activities, which rest heavily on quality philosophy and methods practices like using the pdca-cycle, fact-based management and using simple statistical tools (histograms, cause-and-effect diagrams etc.);
- experimentation projects, which involve systematic searching for and testing of new knowledge;
- learning from past experiences means systematic assessment of successes and failures of an organization;
- learning from others by benchmarking;
- transferring the knowledge efficiently and quickly throughout the organization.

In their studies, Sommerville and McConnel-Imbriotis (2004) note that a learning organization has more features (fig.no.1).

The learning organization sees all its processes as knowledge processes. This new organizational model is capable to valorise the employees' creative potential for conceiving and developing projects. In such an organization, the employees are encouraged to continuously learn, to apply and develop their knowledge, by means of developing their innovation and conception competences. In the learning organization the manager must develop and valorise the employees' creative potential, and must initiate specific strategic actions oriented towards motivating the organization to accumulate new knowledge by means of stimulating life-long learning. As a conclusion for this section, we consider that, whatever definition is given to learning organizations, it is increasingly apparent that these organizations are closely connected to

implementation of quality management and to standards of good professional practice.



*Fig. 1. Features of a learning organization*

### ***3. Analyze of the connection between total quality management and the learning organization***

In a world marked by massive requests for more and more quality products and services, the organizations are dependent on the continuing learning and the implementation of quality management principles. The organizational learning is crucial to effective quality management because TQM requires higher levels of knowledge for the employees participating in the improvement of the quality processes. From this point of view, the learning organization is the one that can provide a broad perspective on the problems on quality through specific methods and techniques of the total quality management. There must be said, that there have been many discussions on account of this subjects, which synthesizes many years of research. Thus, as early as 1950, the studies by Deming emphasize the important role of the organizational learning in the development of the quality politics. He included the learning within his quality philosophy. Nowadays, the role of key resource of the knowledge in order to obtain the organizational success is recognized and highly valued by the quality experts. In his dissertation, Ville Tuomi (2012) presents a large literature review concerning total quality management and learning organizations. Seen from this perspective, Kaplan & Norton (2001, 90, 96-97) mentioned that long-term knowledge is needed in implementation to get

TQM. Also, it is underlined that TQM supports the establishment of a learning organization (Khada & Rawabhed 2006; Terziovski et al., 2000). Many other studies were focused on learning organization and issues related to quality management. It is suggested that TQM and LO are complementary management practices for dealing with organization renewal (Ferguson-Amores et al., 2005) and they are also mutually dependent (Terziovski et al., 2000) and corresponding (Chang & Sun 2007).

The learning organization is the one that can provide a broad perspective on the organizational problems through specific methods and techniques of the quality management and by highlighting the need to implement the TOM principles. Total quality management (TQM) is the highest level and has become a modern system of constant improvement of the quality of all organisation activities. It includes also policy development, involvement of suppliers and customers and all operations, process management, performance measurement, teamwork and employee involvement (Dale, 2003: 21). This is the reason why the quality management is connected to learning organizations, because a quality management system requires a system for controlling quality manuals (Oakland ,2000: 83). Learning organizations know how to manage their intellectual capital for the implementation of continuous quality improvement and increase the capacity of innovation. The implementation of TQM principles aims to make things better through increasing the accountability and the involvement of everyone in order to optimize the organizational objectives. All these actions have to be sustained in the organizational framework, by efforts of continuing learning, by the introduction of last generation technology, as well as by managerial interventions based upon advanced knowledge. Nowadays, we can build "the learning organization", as a formal background where people continually expand their capacity to create the results they truly desire, where new patterns of thinking are encouraged, where the collective aspiration is free and where people are continually learning how to learn together (Senge, 1999: 313). Although there have been fewer practices studies on account of this topic, it is not difficult to find examples in practice. In his work, Toumi Ville (2012) presents some cases studies from academic libraries and health care services between the years 2000–2010. Thus, according to the empirical studies concerning service firms, a strong relationship between TQM practices and learning organization was found (Moreno et al., 2005). It was also found that those service firms which implemented TQM practices got greater organizational learning compared to

those which had a lower level of implementation. TQM practices seemed to encourage greater organizational learning, making it possible to obtain better results, increase the capacity of innovation and learn from the organizational changes in their environment (Tuomi V., 2012).

### **Conclusions**

The analysis from the previous paragraphs allows us to formulate certain conclusions regarding the connection between total quality management and the learning organization. It is easy to notice that the implementation of total quality management succeeds to the extent that organizations can develop knowledge, innovate more and react better to quality problems. From this point of view, creating a learning organization is important for the implementation of continuous quality. This is a long process, relevant to the requirements related to implementation of total quality management principles. On the other side, according to all studies, the effective application of TQM practices requires a learning organization (LeBrasseur et al., 2002: 157). These researches suggest there is a significant relationship between learning organization and total quality management in theory and practice. Summarizing these, we consider that, in a competitive medium, as the present one, the concentration of the economic actors upon the generation of knowledge and efficient application of TQM practices, in order to optimize the organizational objectives, represents the only manner of progress.

In conclusion, with all these aspects taken into account, this article tries to emphasize the idea that the total quality management and the learning organization are intertwined and interrelated and all these actions have to be sustained in the organizational framework, by efforts and managerial interventions based on advanced knowledge and on creating quality.

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