Business Excellence and Management
Volume 3 Issue 3 / September 2013

TOWARDS AN UNDERSTANDING OF THE IMPACT OF TQM IN FIRMS IN SOUTH EAST EUROPE – A QUALITATIVE APPROACH

Shpend IMERI
LEORON Professional Development Institute, Dubai, UAE
shpend_85@hotmail.com

Tauno KEKÄLE
Vaasa University of Applied Sciences (VAMK) Vaasa, Finland
tauno.kekale@puv.fi

Abstract
The study focuses on the understanding of the impact of Total Quality Management (TQM) in firms in South-East Europe (SEE). One hundred structured in-depth interviews were conducted with a mixture of firms in SEE, mainly with middle and top level managers. The main fact of the study is that regardless that firms in this region know about the acronym TQM and some of them are familiar with some principles and practices, actual familiarity with the 'soft' elements is seen superficial, and they have poor understanding regarding it. Therefore, it can be noted TQM is this SEE firms is neither resisted nor directly accepted, rather they tend to see it from a technical aspect, being familiar and understanding only the essential of its 'hard' elements.
Keywords: Total Quality Management, Hard and Soft elements of TQM, South East Europe, Qualitative Research.

1. INTRODUCTION

TQM originated early 1970s in Japan and has been further developed in USA and other Western European countries. Many authors now see it as having been superseded by Business Process Reengineering (BPR), where as others argue that TQM is still one of the most promising management approaches, and the underlying codes of the two are rather similar. During 1980s and 1990s TQM drifted to influence countries as well as regions and was seen as revolution in management methods and organizations recognized the need for a deeper focus, where TQM mainly spread to Europe (Sun et al., 2004). Its emergence generated enormous quantities of literature and journals that have been focusing on the analysis and principles of how TQM should be implemented in firms. According to Oakland (1989) TQM requires to gain ground continuously and become a way of life in many firms. Therefore, TQM cannot become a way of life by night or immediately. Time is the most important factor in order to align the proper TQM philosophies and concepts as well as tools, techniques and systems into firm's culture (Goetsch and Davis, 2010).

Time, resources, experience are not the only imperative that TQM requires. Human resources are as much required for TQM in order to succeed; by this we mean specifically Top management and Middle management. Hence, it could be noted that firms understanding of TQM is focal point within a firm and spreading information around. As Morgan and Murgatroyd (1997) point out from their evidence that TQM understanding is sometimes limited in firms'. For this reason, TQM can be understood differently by managers and employees working within the firm. The issue that arises is that, how can TQM become "a way of everyday life" within a firm when managers and employees do not understand it totally? Hence, the purpose of this study is to explore firms understanding of TQM extent in wider approach such as the SEE region.

This research provides insights of a qualitative study that was conducted in the firms in South-East European Countries (Albania, Bulgaria, Bosnia-Herzegovina, Greece, Macedonia, Montenegro, Serbia and Romania). Basically, one hundred (100) interviews were conducted with top and middle managers form these firms. The rationale of using qualitative approach was in order to dig underneath the quantitative data, testing the meaning of TQM concept from firms' top and middle managers and their view of linkages to wider individual and firm processes. Yet, the qualitative research provides additional evidence towards firms understanding of the impact of "hard" TQM elements (tools, techniques and systems) and "soft" element (philosophies and concepts).

2. THE CONCEPT OF TQM

There is no common accepted definition of what TQM is. However, there are many definitions of TQM as there are books of TQM these days (Psychogios and Wilkinson, 2007). A *general* definition of TQM is very difficult to be pin pointed, a definition is even harder. As Pirsig (1974) noted that TQM is not a spirit or a material, therefore for him it was an independent entity that incorporated both of them. The problematic situation regarding the quality concept is mostly correlated with what people think they know about it and less with what they do not know (Crosby, 1979). For this reason, it is important to explore the firms understanding of it without imposing any of TQM definitions.

In this particular section a framework of quality and TQM meaning developed by Pfeffer and Coote (1991) is elaborated in order to clarify firms' opinion, so through this a particular examination was created a framework in a context and was used for the collection of data. This framework is developed in four different approaches regarding quality concept, such as in terms of who defines quality of product or service. Therefore, these approaches are: the *traditional*, the *scientific* or *expert*, the *managerial* or *excellence* and the *consumer*.

Business Excellence and Management
Volume 3 Issue 3 / September 2013

The *traditional* approach is the fundamental of getting the general idea of quality. The concept of quality in this context correlates or associates with the perception like exclusiveness, prestige and advantage. In the traditional manners 'quality' of some product or services are superior in comparison to others. Nonetheless, there are no such measurements models concerning the quality of a product or serviced that can correspond to this approach (Pfeffer and Coote, 1991).

The *scientific* approach is clarified by the opinion of the experts that stipulate degree of acceptability of product or service quality. For instance, the European Organization for Quality and the American Quality Control define quality as the total feature of the product/service that aims on satisfying the given needs (Morgan and Murgatroyd, 1997). Basically such features have to be stated by standards that are determined by experts; therefore the scientific approach is the quality assurance process throughout enforcement of specific standards (Pfeffer and Coote, 1991).

The *managerial* approach focuses on customer satisfaction, since the customer is the key to business success and they tend for quality improvement that is also known as 'managerial holy grail' (Peters and Waterman, 1982). According to, Joss and Kogan (1995) hierarchical organizations are becoming more flattened and staff is more empowered in order to be more responsive to customer needs but again they may not be aware of alternatives. This means that they are generally participants of passive set in the process of the quality definition (Pfeffer and Coote, 1991).

The final approach is the *consumer* one that seeks to maintain empowerment of the consumers through which can be achieved the desired level of quality. The main deference between this approach the above mentioned ones is that the consumer approach articulates the desire to satisfy all customers where as the managerial one shows the desire of providers to satisfy customers. Actually, the consumer approach is emphasizing to provide more active role customer or users to judge the degree of quality of products or services.

TABLE 1 – APPROACHES TO TOTAL QUALITY MANAGEMENT

Traditional	↔	Quality means offering just a high quality outcomes
Scientific	↔	Quality means offering an outcome according to standards
Managerial	↔	Quality means responding to customer's needs
Consumer	↔	Quality means empowering the customers to define the quality outcome

According to this designed framework the sample in the study will be tending to collect qualitative data from firms in South East Europe in order to get the general idea how they perceive quality in general

and TQM particular context. As mentioned earlier the four statements are generally elaborated in the study of Pfeffer and Coote (1991) that aim to express each one of the four appreciated approaches.

3. UNDERSTANDING THE IMPACT OF THE "HARD" ELEMENTS (TOOLS, TECHNIQUES AND SYSTEMS) AND THE "SOFT" ELEMENTS (PHILOSOPHIES AND CONCEPTS)

Administrative contracts have two characteristics (T. Kirat and Marty F. 2007). They are particularly incomplete. The public entity has a command authority in respect to the co-contractor and it also has a power of termination or unilateral modification of the contract. It results that public authorities will continue to manifest merit wants in terms of public service quality and will provide the requirements for the awarding process, of contract evaluation for reducing the opportunistic situations and for ensuring that their interests are taken into consideration. We leave aside the problems of control that provide little evidence of reasoning.

According to Fotopoulos and Psomas (2008) gurus such as Juran's quality of trilogy, Deming's 14 points as well as plan, do, check, act cycle, Crosby's quality management absolutes, Garvin's dimensions of quality, Ishikawa's cause and effect diagram, Feigenbaum's steps of quality, Taguchi's effort to turn firms into using statistical process control, and many other gurus respectively have represented the most vital elements of the TQM framework. There is no unique or specific model for implementing TQM, since it is a network of interdependent elements consisting of tools, techniques, systems, philosophies and concepts. However, TQM implementation is nearly never 100 percent because some firms implement some elements, where as some implement other elements.

According to the Demings (1986) phrase "in God we trust – others must use data analysis "it is clear that his point was emphasizing on management techniques, systems, tools that "hard" elements of TQM incorporates. Therefore, management tools and techniques are considered as mean collecting and displaying information in manner to provide a helpful objectives to the human in order to grasp thoughts and ideas that when are applied to physical processes, cause the processes to yield accurate results and better decision making (Goetsch and Davis, 2010; Akdere, 2011). The TQM literature offers a wide range of tools, techniques, systems and methodologies. However, some of them are quite simple; where as some are more complex. The most common 'hard' elements of TQM detected in the TQM literature are (Table 2): statistical process control, ISO 9000 series, HACCP, kaizen approach, JIT, six sigma, EFQM, 5S's, scatter diagrams, benchmarking, quality function deployment, run charts and control charts, pareto analysis, matrix diagram, histograms and process charts, tree decision diagrams, critical path analysis and fishbone or Ishikawa diagram.

Business Excellence and Management
Volume 3 Issue 3 / September 2013

TABLE 2 – THE "HARD" TQM TOOLS, TECHNIQUES AND SYSTEMS IDENTIFIED IN THE TOTAL QUALITY MANAGEMENT LITERATURE

Statistical Process Control
ISO 9000 series
HACCP
Kaizen Approach
JIT
Six Sigma
EFQM
5S
Scatter Diagrams
Benchmarking
Quality Function Deployment
Run Charts & Control Charts
Pareto Analysis
Matrix Diagram
Histograms & Process Charts
Tree Decision Diagram
Critical Path Analysis
Fishbone or Ishikawa Diagram

On the other hand, a number of 'soft' elements were introduced in order to increase the awareness of TQM philosophies and concepts for firms' overall improvement. 'Soft' TQM elements incorporate the following (table 3): total employee involvement, continues improvement, strategic quality planning, continues training, teamwork, empowerment, customer satisfaction, information and analysis, supplier management, top-management commitment and support, democratic management style, culture change.

TABLE 3 – THE "SOFT" TQM PHILOSOPHIES & CONCEPTS IDENTIFIED IN THE QUALITY MANAGEMENT LITERATURE

Total Employee Involvement
Continuous Improvement
Strategic Quality Planning
Continuous Training
Teamwork
Empowerment
Customer Satisfaction
Infromation & Analysis
Supplier Management
Top-Management Commitment and Support
Democratic Management Style
Culture Change

According to Rahman and Sohal (2002) a high number of firms around the world have adopted some elements of TQM and continually demonstrate significant benefits. Also it is noted that there is a high demand for improved measures of firms' performance in relation to TQM. Yet an interesting study conudcted by Psychogios *et al.* (2009) on the impact of TQM on Middle Managers working in the Greek

service industry provided some insights how they perceived TQM and its both elements, however this was done only for the service industry and in a particular country that did not fulfill the requirements of a region.

There are many studies on analyzing 'hard' and 'soft' elements of TQM, however, one can argue that they all have focused on statistical analysis such as the study of Fotopoulos and Psomas (2008) as well as Psychogios *et al.* (2009) that focused on constructing validity through confirmatory analysis. Yet, Talib *et al.* (2011) developed a study in order to priorities the practices of TQM through an Analytical Hierarchy Process (AHP) focusing on service industry. Therefore it is an interesting point to research such kind of relationship in region which has not been explored yet and crosscheck similar studies such as that of Psychogios *et al.* (2009) for reliability and validity not only in the service industry or in a particular country rather than in region such as SEE where no light has been shade on TQM in qualitative method.

4. ASPECTS OF TQM IN SEE FIRMS

Firms in order to be more effective and efficient and to improve their operations were hasty to adopt new managerial techniques, methods and concepts such as TQM initiatives incorporate. The evidence from a research carried by Szamosi et al. (2008) and Vouzas (1997) has shown that Greek and in some Balkan firms, quality departments are large, well organized and autonomous, practicing a wide range of quality activities. Nonetheless, quality is perceived as a peripheral function and the role of the quality department is to monitor quality and maintain an acceptable level of 'quality products or services'. On the other hand, "co-operation among departments on quality issues is nonexistent and conflict between production and quality departments is a common phenomena" (Vouzas, 1997, p.164).

Multinationals firms operating in SEE region seem to be more concentrated on the TQM idea. According to, Mercado et al. (2001) a research carried out among American and European firms operating in Central and South Eastern Europe (CSEE) has shown that European firms specifically were more focused on productivity and quality that were covered almost in all departments. Also, TQM improvements efforts – specifically in those firms concerning the specific research – had been fully supported from the beginning by the factory trade union, meaning that bypassed situations with emphasis to motivate acceptance of the quality management by all employees.

Another important issue that needs to be stressed is the increasing role of Quality Systems (QS), such as ISO 9000 series and HACCP in the majority of SEE firms. Such quality systems contribute to firms' survival and competitiveness, by offering specific standards "of operational techniques and managerial

Business Excellence and Management
Volume 3 Issue 3 / September 2013

activities used to fulfil customers expectations and requirements" (Lamprecht, 1992, p.4). Also ISO series are well introduced in SEE firms, their implementation was considered as the first step towards TQM approach philosophy. As Tsiotras and Gotzamani (1996) add, ISO 9000 has the great advantage of being structured and "has a clear end and final achievement, which is the certification of the quality assurance system … "(p.75). However, it must crystallized and avoid confusion that TQM is a never-ending 'story'. Basically TQM seeks to continually improve quality of products and/or services by satisfying customer wants. This is one of the major issues that make confusion for a large number of firms in SEE region. Therefore, the majority of SEE firms are not taking any further steps towards TQM; they believe that by adopting a quality management system such as ISO 9000 series or HACCP, they fulfill all the appropriate stages towards their transformation into TQM firm. For this reason such issues must be clarified and raise the awareness that TQM is a never ending story and not just a quality system which just an island in TQM philosophy. To sum up, TQM has been emerging as a concept and a method in the SEE business system but still under formation, thus this last fact can be further assessed if we consider the implications and the impact of TQM in SEE firms.

5. RESEARCH METHODOLOGY

According to Aker et. al, (2004) qualitative research " is done in order to access and also get a rough about the person's perspective. It helps the researcher to become oriented to the range and complexity of consumers activity and concerns" (p.189). It is noted that for an exploratory study using qualitative method is considered appropriate (Goodman, 1999). Yet, exploratory qualitative approach is used when there has not been much written or studied on the topic or population being studied as it is in this case, where the researcher strives to listen the participants so they can build an understanding based on their sayings and ideas. In this particular study the aim of qualitative approach was to explore three main areas of TQM in the SEE region:

- *How do firms in SEE region view quality issues in general and TQM in particular, basically what is TQM from their point of view?*
- *To what extent are firms familiar with TQM tools, techniques and systems ('hard' elements)?*
- *To what extent are firms familiar with TQM philosophies and concepts ('soft' elements)?*

These issues cannot be trivially through quantitative methods such as a survey or questionnaire. Thus, this approach was based on *follow-up exploratory interviews*. These *interviews* were conducted with middle and top level managers who participated in the quantitative part of the study and volunteered

themselves as potential interviewees. The general aim of this approach was to investigate the *hidden agenda* of a list of topics but mainly focusing on the research questions. Since these issues cannot be easily be explored through survey questionnaire, 100 interviews were conducted with middle and top level managers from 100 firms. Furthermore, the interview method responds to the need of the exploratory mode of the study by giving further explanations of what, how and why things happened. The discussions were open and free with the interviewees where two interesting issues arose from this.

The 'free' and open discussion with the interviewees on these issues resulted in two things. Firstly, each interviewee had the opportunity to express his/her opinion in any way he/she wished. Second, this discussion provided the researcher with a better understanding of the subject' attitudes towards several issues.

Although the interviews were unstructured, a general semi-structured questionnaire/topic guided was used in order to facilitate the discussion. The interview's instrument covered the following general topics:

- Firm Information
- The meaning of TQM for the Firms
- Firms familiarity with the 'hard' and 'soft' of TQM
- Distinguish TQM and Non TQM firms
- Approaches and issues of TQM
- Firms performance measurement
- General issues associated with: management style, power and conflict, trust, communication etc.

Furthermore, during the interview a list of "hard" and "soft" TQM elements was developed from the literature in order to demonstrate to the interviewees and requiring their feedback to identify the familiarity with both aspects.

A representative range of responses was obtained by following three criteria at the selection of the interview. The first criterion was that the interviews covered all sectors (manufacturing, services and retailing) in the SEE region. The second one was that the interviewees were middle manage such as operations manager, HR manager, logistics managers and others, also many top level managers accepted to be interviewed as well as owners of firms where they were smaller. The third criterion applied was that some of them were involved in the introduction and implementation of TQM programs.

Business Excellence and Management
Volume 3 Issue 3 / September 2013

Most of the interviews lasted about 85 minutes, while the longest being 2 hrs. They occurred mainly in their offices. However, it needs to be mentioned some of them (mainly middle level managers) did not feel free to speak in their offices and they preferred to arrange the meeting in another place.

The interviews took place about fourteen months in 2009/2010 year. The researchers' task was to contact the manager and explained the purpose of the research so they proceeded with the arrangement of meeting for the interview. A tape recorder was used with the authorization of the respondent to avoid unethical issues. Also notes were taken from the researchers during the interview. At the end when all interviews were completed, all discussions were transcribed and data gathered were coded so they could finally be sent to the respective interviewee for a review and approval.

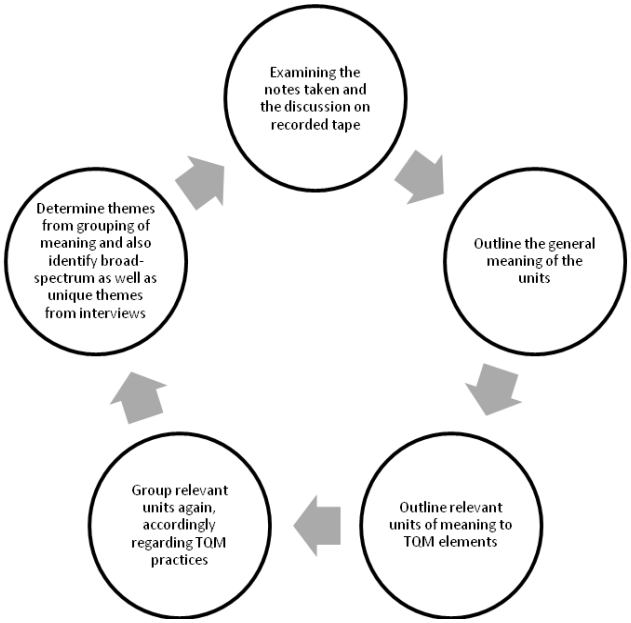

FIGURE 1 – RESEARCH PROCEDURE

However, a design or an approach for analyzing the data from the respondents was needed and it was decided to follow the procedure consisting of five major points (figure 1):

1. Examining the notes taken and the discussion on recorded tape;
2. Outline the general meaning of the units;
3. Outline relevant units of meaning to TQM elements;
4. Group relevant units again, accordingly regarding TQM practices;
5. Determine themes from grouping of meaning and also identify broad-spectrum as well as unique themes from interviews.

6. FINDINGS AND DISCUSSION

The findings that emerged from the qualitative data will present three main areas of an analytical context to TQM. The first area is dealing with the familiarity and understing of firms in the region with TQM. The second area is searching to know the firms' understanding of the impact of familiarity of "hard" TQM elements (tools, techniques and systems) elements. Finally, the third area is related with the "soft" element (philosophies and concepts) impact of understanding and familiarity.

6.1 Firms Familiarity and Understanding of TQM

As our evidence indicates, that majority of our survey respondents understand quality improvement from the 'managerial' point of view. They associate quality improvement effort primarily to the contemporary notion of organizational effectiveness and to specific effort where firms must respond to customers' needs as a key commercial success. According to our qualitative results this is due to the accuracy of those quality improvements efforts, as well as their quick and generally effective implementation that led to an increased demand for such improvement:

... I believe that responding to customer's needs is the most important guide to improving things. We need something specific in order to understand what to improve and in what way to know what customers needs area in particular [General Manager – Juices production firm, Macedonia].

... We are operating in an increasing competitive market and I think this indicates how important is Total Quality Management to us along the criteria of the customers' needs [Manufacturing Manager – Food Manufacturing Company, Serbia].

Nevertheless, statements indicate that the concept of TQM seems to be also favored by the service industry. Two reasons can be associated with the fact that TQM has entered the firms' agenda in SEE region in general becoming a fashionable management concept. This seems to be the message from several interviewees:

… TQM for me means applying innovative technology in the production process and world renowned standards in order to satisfactorily meet the rigorous needs and demands of our customers for a safe and healthy quality product [Track leader - Research Centre, Greece].

*Of course we know about it [*TQM*]. Actually, a lot of training programs refer to it. Once, they* [refers to the people in the upper management level] *have called expert on TQM to give a lecture on its advantages for customer service. Although, quality is not my specialized area, I found it interesting.* [Audit Manager – Textile Company, Romania].

Business Excellence and Management
Volume 3 Issue 3 / September 2013

The second reason is related to the issue of the firms background, as some big companies have been acquired by foreign organizations, they have transferred some of the Anglo-Saxon (UK or US) quality knowledge into the SEE region as they have entered the market.

Moreover, the above interviewee indicates another important issue. It seems that TQM idea in this region in general is closely related with to a technocratic procedure with specific guidelines, steps and tools rather than to a more sophisticated management philosophy that also includes soft principles. It is also characteristic that almost all of our interviews defined TQM by using either well-known phrase, such as *eliminating waste, just in time, right at first time*, or associating it with international standards such as ISO or HACCP. Thus, this finding can also be illustrated by the statement of our interviewees attempting to define TQM improvement as:

… An improvement of service/product delivery through improvement of particular procedures such as speed of services/product as well as through cost reduction of service or product [Owner – Plastic Tube Production Company, Bulgaria]

... [TQM means] *to set targets/aims in order to analyze the cost-benefits of operations, to set performance measures and to evaluate the results all the time* [Vice President - Construction Company, Bosnia-Herzegovina]

In the literature we have seen that the TQM paradigm has been classified into two major elements: the 'hard' and the 'soft' one. On the other hand, most of them are not that familiar with the majority of both sides of TQM. For this reason, the qualitative evidence questions the actual understanding and familiarity of the 'soft' and 'hard' of TQM. In fact TQM has become a fashion, therefore it is reasonable that many firms and managers in our sample know what concepts and principles TQM theory includes. Nevertheless, the critical point is whether these concepts/elements are really understood and applied by the firms. Our qualitative findings suggest that firms are far from being fully familiar of these principles and consequently apply them in day-to-day work. In the SEE firms, the acronym of TQM is not very much related with the 'soft' side but more with the 'hard' management practices:

... In this firm we promote TQM practices through particular techniques and methods that are applied by experts who work here. Therefore, I do not believe that the whole firm is required to change so they can improve things that we do believe they need continuous improvement [Quality Manager – Telecommunications, Macedonia].

6.2 Firms' familiarity with TQM Tools, techniques and systems ('hard' elements)

This statement illustrates not only firms' positive attitudes towards 'hard' side of TQM, but also the fact that in firms' mind, 'soft' TQM does not matter very much. Although our evidence shows that most of the firms' of our sample are not very familiar with the specific TQM techniques and tools, they are seen having great importance in firms' minds. Two arguments support this conclusion.

The first argument is related with the views of our respondents who basically view the quality message of achieving customers' requirements through the use of specific tools, techniques and as the core of the TQM scheme. Yet, almost all of our interviewees argue in favor of an approach that is associated with managerial aspect. The Only Human Resource managers seem to have more open view and are familiar with the importance of human capital in the TQM approach. According to their point of view TQM involves people and it is something greater than a simple technique:

… For me and the company I work for TQM means to take advantage of all human capital within our organization and to involve them in achieving our goals [HR Manager – Energy Distribution Company, Albania].

… TQM can be considered as a philosophy or new management paradigm rather than a technique or method. It is relatively new management sphere of organizational performance, which has a strong human-oriented elements [HR Manager – Auto Company, Greece].

The second argument is in favor of the importance of the 'hard' elements of TQM in firms' minds because is associated with the concept of specialist vs. generalist. We have mentioned that the work culture in SEE region in general promotes the concept of specialist nowadays. Management techniques, tools and systems are mainly related to the expert knowledge of people. This seems to be confirmed by almost all of our interviewees who commented on the list of tools, techniques and systems which was shown to them:

… I recommend You to go to the Quality Department. I guess there you can find a lot of experts to explain to you how these things are working here [Product Manager – Concrete Production Company, Serbia].

… My duty is to recruit, select and evaluate new employees. My job has nothing to do with such techniques or tools. I believe that most of them are associated with the work of an expert or specialist, who has studied and practiced the 'hardcore' of management science. I think that the best you can do is to find a person like this to comment on whether we use such techniques. You should go to the Quality Department they *could give some answers on* that [HR Manager – Telecommunications, Macedonia].

Business Excellence and Management
Volume 3 Issue 3 / September 2013

It is clear that in firms in SEE region mind the notion of expert is associated with someone who knows and applies 'hard' management practices rather than 'soft' and human related concepts. The TQM effort is seen as a job of expert who, according to our interviewees, mainly work in relevant business Department or Units. Moreover, the people working in these firms departments seem to acknowledge themselves as experts or specialist in TQM or quality improvement policies/practices. Furthermore, the quality 'experts' interviewed give a high degree of consideration to the 'hard' aspect of TQM and lower degree to the 'soft' principles like employee empowerment and cultural change. It is characteristic that from their point of view, the latter is included in the knowledge field of human resource 'expert'! Although they agree that the TQM paradigm includes a variety of 'soft' concepts and philosophies; they do not recognize these concepts as part of their day-to-day responsibilities:

… I am here to contribute mainly to quality assurance rather than to motivate people to do their jobs or the way they are doing it ! [Quality Manager – Insurance Company, Greece].

… I am familiar with the most of the quality techniques. I have earned an MSc in Quality Management. Nevertheless, I believe that in changing the culture of the firm we must find some experts/specialists like the ones working in Human Resource Department [Quality Manager – Pharmaceutical Company, Albania].

One major conclusion that can be drawn from the above statement is that the concept of specialist (well educated people in the firms with mainly technical skills) in the SEE region firms seems to be well established within SEE management culture. The majority of managers try to be specialists in things that they are dealing with – and usually they have studied – rather than generalists dealing with wide range of responsibilities in the day to day work in their firms'.

6.3 Firms' familiarity with TQM philosophies and concepts ('soft' elements)

A further confirmation of the great importance is that quantitative data that show us to what extent firms' really are familiar of the 'soft' elements of TQM.. Almost all firms' have the same negative response when we asked them to evaluate the importance of these aspects for their organization.

… Changing the culture of a group of people or of an organization is not always an easy job. Therefore, I strongly believe that if we would like to improve our operations quickly as well as effectively, we need to forget about culture and concentrate upon more realistic targets [Logistics Manager - Oil and Oil derivatives Organization, Montenegro].

The qualitative evidence does not suggest only that in SEE firms' minds 'soft' TQM principles are not much of importance, but that 'hard' TQM is seen as being critical. It shows that firms have incorporated these or similar practices for many years.

Another, essential point to stress is how firms see the effectiveness of TQM in SEE. Basically, organizations see the implementation of the TQM paradigm in amore way. Moreover, they see TQM as having some potential to reduce bureaucratic formalities, to enhance firms' decision-making process and employee involvement and promote organizational development.

TQM affects significantly firms' responses into two specific aspects of their day-to-day work. These are autonomy and loyalty. Their level is increased as firms' familiarity of TQM principles increase as well. According to our interviewees this is logical if we consider the difference between practical 'soft' concepts like *training* and *teamwork* and more broad 'soft' elements such as *empowerment*, *involvement, continuous improvement* and *cultural change.* The former can easily be understood by people, and many firms use teamwork and/or offer training programs to employees. Thus, the successful use of such 'soft' practices can lead firms to view the autonomy and loyalty of their employees as increased. The latter concepts are more complex and consequently more difficult to be understood and applied in all dimensions within firm:

… It is easier to convince people in the firm to participate in a training program that will improve their skills than just to talk to them about the benefit of establishing a continuous improvement or TQM culture. It is very easy to agree with this but in reality they will do nothing about it. In contrast, through training programs you can teach them the 'Know-How' of quality improvement [HR Manager – Food Company, Serbia].

The above statement, which is shared among the majority of our interviewees, can be used as further explanation of the limited influence of firms' familiarity of TQM principles on their responses of work-related aspects. All of the 'soft' concepts of TQM sound positive in firms' minds:

… They seem ideal pieces of an ideal picture [Owner – Economic Consulting Firm, Greece]

Therefore, it is unlikely that firms' in general will respond in a negative way to them. However, the extent of understanding and implementing 'soft' TQM concepts is rather limited.

As an interviewee argued:

… I would be very surprised if you would find someone reply negatively to all these concepts. I would also be very surprised if you would find many firms/managers who are actually applying all of these

Business Excellence and Management
Volume 3 Issue 3 / September 2013

concepts on their firms'. In SEE firms' are still behind the latest developments. However, we are still trying to do our best, convincing employees that all these are for their own good as well. But we still have a long distance to cover [Logistics Manager - Oil and Oil derivatives Organization, Montenegro].

Thus, a general conclusion emerging from the above analysis is that the orientation that firms' bring to their nature of work in relation to TQM approach is a narrow on of *'hard management techniques matter'* only and not a wide challenge of searching for empowerment, involvement and continuous improvement.

Basically, there are firms and managers who simply recognize the pros and are familiar with the 'soft' TQM elements, however, these are seen more as complementing the 'hard' tools, techniques and systems that are rather central for improving firms' outcomes. This provides the perception that the respondents favor the importance of the 'hard' TQM elements. On the other hand 'soft' elements are seen as *… They seem ideal pieces of an ideal picture* [Owner – Economic Consulting Firm, Greece]. Hence, it is very difficult to find interviewees who would respond negatively. Those respondents who believe and are optimists about 'soft' elements also have positive thoughts about processes and overall firms' outcomes, according to their view TQM techniques will be the ones that affect regardless positively or negatively the organizational aspects.

7. CONCLUSION

TQM seems to play an important role in the region. The great majority of our respondents stated that quality improvement is one of the top priorities within their organizations. In addition, our interviewee statements suggest that TQM is one of the most popular quality initiatives in SEE region. In general the meaning of quality for firms in SEE region is to respond to customers' needs as a key commercial success and this is noted to be the managerial approach.

The paper extends and argues that, despite firms' familiarity of 'soft' TQM concept and ideas, their level of understanding and knowledge towards these concepts is skeptical. Without any doubt TQM has become a substantial issue on the SEE firms' agenda. Nevertheless, firms in SEE region have undertaken many steps towards the TQM approach before it could be said to be a core organizational principle.

Moreover, there is evidence that TQM has got somewhere in the SEE region. In other words, TQM has affected their perception on several aspects of their day-to-day work, such as empowerment and work effort. However, this effect came mainly from the familiarity with 'hard' management practices rather

than from their awareness of 'soft' concepts. This fact suggests that firms hold a realistic view of TQM. According to their view, although the 'soft' TQM side is something good and useful in their minds, it has little to do with organizational reality. The one that really matters is the 'hard' side.

Also, according to our interviewees, perceptions, top management are committed to TQM since it can accomplish targets and promote organizational effectiveness and competitiveness. In other words, senior executive are perceived as willing to promote total quality ideas. However, our interviewees indicate that in exchange for giving more autonomy and responsibility to employees, top management expects them works harder, to achieve quality results and follow the decision in the upper level.

From the analysis, we can argue that TQM, as whole new management philosophy with a set of concepts and tools, has started to enter the consciousness of firms in SEE. We can also argue that there is no particular opposition on the adoption of TQM. Most of the firms, owners and managers seem to accept it and tend to see as part of particular policies attempting modernize the management system. Nevertheless, the TQM paradigm has not cut very deep into firms' in general and managers in particular. Therefore this particular study supports the findings of the study provided by Psychogios *et al.* (2009). It has not yet become a driving force towards organizational management. Firms' see TQM from a more realistic view insofar as firstly, they focus on the importance of the 'hard' side of it and secondly, they hold a skeptical approach to the actual implications and effectiveness of several 'soft' concept like trust or empowerment.

REFERENCES

Aaker, A. D., Kumar, V. and Day, S. G. (2004), *Marketing Research*, 8 ed, Denver: Willey & Sons.

Akdere, M. (2011), An Analysis of Decision-Making Process in Organizations: Implications for Quality Management and Systematic Practices, *Total Quality Management & Business Excellence*, *22*(12), 1317-1330.

Crosby, B. P. (1979), *Quality Is Free: the Art of Making Quality Certain,* New York: McGraw-Hill.

Deming, E. (1986), *Out of the Crisis*, Cambridge, UK: Cambridge University Press.

Fotopoulos, C. B. and Psomas, E. L. (2009), The Impact of "Soft" and "Hard" TQM Elements on Quality Management Results, *International Journal of Quality & Reliability Management*, *26*(2), 150-163.

Goetsch, L. D. and Davis, B. S. (2010), *Quality Management for Organisational Excellence: Introduction to Total Quality*, 6th ed., Upper Saddle River, New Jersey: Prentice Hall.

Goodman, M. (1999), The Pursuit of Value through Qualitative Market Research, *Qualitative Market Research: An International Journal*, *2*(3), 111-120.

Joss, R. and Kogan, M. (1995), *Advancing Quality: Total Quality Management in the National Health Service*, Buckingham: Open University Press.

Lamprecht, L. J. (1992), *ISO 9000: Preparing for Registration,* New York: Marcel Dekker Inc.

Mercado, S., Welford, R. and Prescott, K. (2001), *European Business,* 4th ed. Prentice Hall, Finacial Times, Harlow.

Morgan, C. and Murgatroyd, S. (1997), *Total Quality Management in the Public Sector,* Buckingham, UK: Open University Press.

Oakland, J. (1989), *Total Quality Management,* Oxford, UK: Heinemann.

Peters, T. J. and Waterman, R. H. (1982*), In Search of Excellence – Lessons from Americ's Best – run Companies*, London: Harper Collins Publishers.

Pfeffer, N. and Coote, A. (1991), *Is Quality Good For You? A Critical Review of Quality Assurance in Welfare Services,* London: Institute for Public Policy Research.

Pirsing, M.R. (1974), *Zen and the Art of Motorcycle Maintenance*, Bantam.

Psychogios, G. A. and Wilkinson A. (2007), Exploring TQM Awareness in the Greek National Business Context: Between Conservatism and Reformism Cultural Determinants of TQM, *International Journal of Human Resource Management*, *18*(6), 1042 – 1062.

Psychogios, G. A., Wilkinson A. and Szamosi, L. T. (2009), Getting to the Heart of the Debate: TQM and Middle Managers Autonomy, *Total Quality Management & Business Excellence*, *20*(4), 445-466.

Sun, H., Li, S., Ho, K., Gersten, F., Hansen, P. and Frick, J. (2004), The Trajectory of Implementing ISO 9000 Standards Versus Total Quality Management in Western Europe, *International Journal of Quality & Reliability Management*, *21*(2), 131-53.

Szamosi, L., Psychogios, G. A., and Wood, A. (2008), At the Crossroads of Leadership Education in Emerging Economies: Global Relevance Versus Local Applicability, *Business Leadership Review*, *5*(4), 1-9.

Talib, F., Rahman, Z. and Qureshi (2011), Prioritising the Practices of Total Quality Management: An Analytic Hierarchy Process Analysis for the Service Industries, *Total Quality Management & Business Excellence*, *22*(12), 1331-1351.

Tsiotras, G. and Gotzamani, K. (1996), ISO 9000 as an Entry Key to TQM: The Case of Greek Industry, *International Journal of Quality*, *13*(4), 64-76.

Vouzas, F. (1997), Middle Management and Quality Improvement: Evidence from Five Countries", In Livian Yves-Frédéric & G. J. Burgoyone (Eds.), *Middle managers in Europe* (155-172), London, UK: Routledge.