Routledge
Taylor & Francis Group

Developing strategic quality management: a research agenda

DENIS LEONARD[1] & RODNEY MCADAM[2]

[1]*University of Wisconsin, USA &* [2]*University of Ulster, Belfast, Northern Ireland*

ABSTRACT *This paper critiques the development of TQM and corporate strategy and seeks to encourage further research into the relationship between these two fields of study by developing the concept of Strategic Quality Management (SQM). First, TQM and corporate strategy are discussed from a historical perspective, delineating the development of the two areas. Second, there is a challenge to the concept of quasi-strategic stability and, furthermore, the need to take a Strategic Quality Management (SQM) approach in many organizational situations is emphasized. Finally, key research questions for developing the practice of SQM are discussed for research agendas.*

Introduction

There is a need to discuss TQM and corporate strategy and to develop an awareness of what these issues entail, as a first step in considering their relationship. In particular, current research needs in these areas need to be clarified.

An overview of the development of TQM and corporate strategy is introduced, this overview is followed by focusing on the developing theories of the application of corporate strategy with regard to its flexibility (Stacy, 1992). The concepts of TQM and corporate strategy are then linked by considering the strategic importance of TQM and the issue of Strategic Quality Management (SQM).

A determination of the full extent of the relationship between TQM and corporate strategy is not made at this time. It is the recommendations for future research that are focused upon and structured. Therefore, this paper highlights the current direction and recommendations made by researchers with regard to the research focus that is needed to advance the understanding of the TQM/corporate strategic relationship.

Total Quality Management

Total Quality Management (TQM) was not developed by one individual, nor is there an indication of where it was first used (Boaden, 1997). However, TQM has always existed in one form or another.

> we must also attribute this to the eclectic nature of the discipline, which combines contributions from diverse technical, humanistic and social disciplines. (Moren-Luzon & Peris, 1998)

Correspondence: R. McAdam, School of Management, University of Ulster, Newtonabbey, Belfast BT37 0QB, Northern Ireland. E-mail: r.mcadam@ulst.ac.uk

With the emergence of the Malcolm Baldrige National Quality Award (MBNQA) in 1987 and the European Foundation for Quality Management (EFQM) European Quality Award in 1992, TQM entered a structured and measurable era of awards. These developed upon, and made more accessible, the basic concepts behind the annual Deming Prize established in Japan in 1950. So from the 1970s and early 1980s, when organizations introducing TQM would use the teachings of Deming, Juran or Crosby, the advent of Quality Awards meant that there was a greater availability of, and reliance on, the best practice examples from award winners.

In the 1980s, many TQM programmes were initiated by the Fortune 500 companies as it was seen as a means of competitive edge but,

> typically they were totally divorced from any strategic corporate initiatives and certainly didn't challenge fundamental beliefs and objectives. By the mid 1980's it became clear that quality circles alone could not deliver the desired outcomes. (Cole, 1998, p. 70)

Cole points out that the change in application and attitudes toward TQM does not mean that managers or workers are less interested and involved in problem solving or focusing on the customer. Rather, TQM has been adopted, accommodated and institutionalised and that this is in fact what happens to successful social movements.

However, there have been significant debates regarding the success of TQM, between those that support it presenting performance data to show improvements due to its application (Zairi, 1999; Becker, 1993; Wilkinson *et al.*, 1994) and those who consider it to be a failure and fad (Binney, 1992; Brown, 1993). Articles in *Business Week*, *The Economist*, *Fortune* and *The Wall Street Journal* have all questioned TQM's economic success. But as Hendricks & Singhal (1999) point out, the disillusionment and disappointment with TQM is usually the result of unrealistic expectations and miss-applications. These inflated expectations are often compounded with poor implementation that includes; allowing external forces to drive the TQM initiative, a desire for awards, considering TQM separate from daily activities with functions, therefore, becoming an 'add on', and an underestimation by senior management of the commitment necessary for TQM success (Dale *et al.*, 1998).

> When TQM did not deliver the hoped for results, it was deemed a failure. Furthermore, contrary to the TQM philosophy, many firms adopted TQM seeking instant and swift gratification ... (Hendricks & Singhal, 1999, p. 35)

Research by Hendricks & Singhal (1999) on quality award winners showed that, when implemented effectively, TQM produces dramatic financial performance. For example, those with TQM had 38% higher operating income than those without. This is consistent with MBNQA economic research, which has shown that 71% of winners outperformed the S&P 500 index (Tai & Przasnyski, 1999) and other findings (Helton, 1995). What is indisputable is the competitive significance of TQM over the last 15 years (Cole, 1998; Kroll *et al.*, 1999).

> Despite the debates and development of TQM over the decades its definition is still vague. (Boaden, 1997).

Juran also recognized the variations and subjective nature of quality

> students and practitioners should understand the more frequently used multiple meanings. (Juran, 1970, p. 3)

Juran also established in a working definition *'fitness for use'*(Juran, 1970, p. 4); however, he later pointed out 'that definition must quickly be enlarged, because there are many uses and

users' (Juran, 1988, p. 5). Moreno-Luzon & Peris (1998) consider that conceptual confusion often occurs. Issues such as quality control, quality assurance, total quality control, company-wide quality control, total quality management, total quality learning and strategic quality management are just different ways of classifying various perspectives of quality management.

However, the vagueness is actually the fact that so much of what makes TQM unique is not just the hard tools and techniques but just as importantly the philosophical aspect. The underlying concepts of Deming include driving fear out of an organisation. Drucker touched upon this when he stated,

> what is needed to breakout of the straitjacket of old slogans and old issues is management performance. (Drucker, 1993, p. 811)

TQM's influence reaches into all aspects of business and management, from Human Resource Management (Morrison & Rahim, 1993, p. 144) to innovation (Rossetto & Franceschini, 1995; Samaha, 1997). Indeed it is being referred to as a 'pervasive strategic force in today's economy' (Powell, 1995, p. 16) and is becoming ever more closely linked to strategic management (Hermel, 1997). Owing to its holistic nature it has been considered

> Western industry's first stab at a systems approach to strategy. (Bennett & Kerr, 1996)

Before TQM's links with strategy and its strategic importance are discussed, the issue of strategic management will be briefly considered to place this discussion in context.

Definition and development of TQM

Having considered the historical development of TQM, it is useful at this stage to consider a current definition of TQM and its likely future development. The authors have avoided introducing a definition of TQM into the paper until this juncture due to continual development and change within the TQM discourse.

This paper defines TQM within a broad framework. This approach is consistent with that of Dale & Lascelles (1997) and van der Wiele *et al.* (2000) who view TQM as a broad journey of organizational development from an organization's initial Quality involvement to Business Excellence status. This approach is consistent with the work of Hackman & Wageman (1995), Spencer (1994) and Kanji & Asher (1993). From this work the following five point definitional framework for TQM emerges (McAdam, 2001):

- TQM is strategically linked to the organizational goals.
- Customer understanding and satisfaction is vital within the organization.
- Employee participation and understanding in continuous improvement at all levels is required within the organization.
- There is a need for management commitment and consistency of purpose within the organization.
- The organization is perceived as a series of processes that incorporate customer-supplier relationships

This framework is both definitional and developmental. For example, the first point relating to strategy will be considered further in this paper. The second point relating to customers is reflected in TQM's continued development in customer marketing areas such as Service Quality. In regard to the third and fourth points, there is cultural TQM development in regard to empowerment and leadership in the field of Human Resource management (Hackman & Wageman, 1995). The fifth point has been the building block for business

transformation through process improvement. This paper focuses on the development of the first point, namely Strategic Quality Management.

Corporate strategic management

During the development of corporate strategy, concepts evolved such as the focusing on strategy as managerial choice (Child, 1972) and as having its basis in planning to the less sequential theory of incrementalism (Quinn, 1980). The concept of strategic intent (Hamel & Prahalad, 1989) continued the trend of considering strategy as less than the logical, well planned process it had been considered (Mintzberg & Waters, 1985). Indeed, wider social issues were beginning to be recognized as important to the strategic process and the necessity to create a strategic framework and structure which is flexible and dynamic with an emphasis on learning (Senge, 1992a).

One of the most influential strategy texts of the 1980s was Porter's Competitive Strategy, this formalized the attempts in the 1970s to link strategy directly with competition. The clarification of types of strategy emerged (Hamel & Prahalad, 1989) which began to show a pattern of a range of strategies and means by which strategies are attained. That is, the realized strategy would be reached not only by means of a planned strategy but would also be influenced by emergent strategies in addition to imposed strategies and opportunistic strategies.

In the 1900s, the position of strategy was again re-evaluated. Mintzberg, stated that

strategic planning has long since fallen from its pedestal. But even now, few people fully understand the reason: strategic planning is not strategic thinking. Indeed strategic planning often spoils strategic thinking. (Mintzberg, 1994, p. 107)

Over the years, many management and strategic theories emerged (those with a primarily strategic focus) including diversification, the systems approach, long range strategic planning, centralized corporate strategies, competitive strategies, and strategic alliances.

Today only a handful of the theories listed ... are taught to business students the rest forgotten. (Makriidakis, 1990, p. 12)

There is also a wide range of other management theories, strategic tools and techniques. Hussey (1997) lists 56 techniques for strategic analysis from breakeven analysis, the Delphi technique, experience curve to scenario planning and SWOT, but points out

techniques do not make strategy: this is the role of managers. However, they serve a useful purpose in presenting information in different ways. (Hussey, 1997, p. 97)

It should be remembered with regard to strategy that the reality is that strategic planning remains an enigma for many organizations (Zairi, 1999). But ultimately,

there is currently no definitive answer to the question of what leads to sustainable competitive advantage in firms. And we suspect that there never will be. (Eccles & Nohria, 1992, p. 88)

The theories of corporate strategy and the tools and techniques of strategic planning have developed dramatically in the last 50 years. Like TQM, various theories and key academics have shaped its development. So considering such rapid developments, what are the definitions of strategic management?

Strategic management is a systematic approach to a major and increasingly important responsibility of general management: to position and relate the firm to its environ-

ment in a way which will assure its continued success and make it secure from surprises. (Ansoff, 1984, p. xv)

Bates & Dillard (1992) consider that the,

existing approach to strategic planning is changing and it is bringing about a fundamental redesign of the 1990's strategic planners role. Many would reduce the 1990's strategic planner to a planning co-ordinator. (Bates & Dillard, 1992, p. 61)

These definitions reflect a logic approach to corporate strategy, a sequence of events with clear issues to be considered to achieve the stated strategy. However, Hendry & Johnson (1993) consider that,

notions of strategic stability have been replaced by an emphasis on strategic change and correspondingly, the notion of the search for the optimal strategy has been overtaken by a concern for a strategy that will work and that can be implemented. (Hendry & Johnson, 1993, p. 6)

This move toward recognizing that a strategic sequence or model is not static has created new perspectives on strategic thinking.

Practitioners and researchers alike are talking about increasing demands for flexibility, building organizational competence, changing customer requirements. (Lewendahl & Revang, 1998, p. 755)

One theory that reflects this and has had a major influence on strategic management and, indeed, wider aspects of business management, including TQM, in regard to undermining this concept of strategic stability is chaos or complexity theory. This is best expressed in reviewing past strategies.

guided by brilliant strategies, these great companies rose to prominence. Yet when conditions in their competitive environments changed, each found it extraordinarily difficult to change strategic direction. (Christensen, 1997, p. 141)

Challenging the concept of strategic stability

Peters (1992) challenged the stability assumptions within the strategy discourse. He had seen a need for a 'revolution' based on 'chaos' assumptions rather than stability. As an example of the chaotic environment in which business exists, the historical trends of the *Financial Times* Top 100 can be considered to see that the listings and their ordering change dramatically over the years. Peters talks of an era of unprecedented uncertainty due to mergers, internationalism, and developments in technology resulting in the fact that nothing is predictable. Peters states that within the environment,

the true objective is to take the chaos as given and learn to thrive on it. The winners of tomorrow will deal pro-actively with chaos. (Peters, 1989, p. xii)

This view of thriving on chaos, challenges the established traditional thinking of managerial theory and practice. With regard to corporate strategy such new perspectives include viewing voluminous long-range strategic plans as being less useful than in the past.

The idea that you can know what is around the corner of time is the foundation of most planning systems . . . even though the track record of forecasts is dismal, firms continue to work as if prediction were possible. (Peters, 1992, p. 575)

However, sound strategic planning and a good planning process are seen as crucial. This process involves everyone as it: is a bottom up process, attempts to stay fresh by being questioning, requires debate about the future and is not constrained by corporate assumptions. The planning document should be succinct, should focus on strategic skills and, after completion:

> there is a serious case for destroying it—if not in practice at least in spirit. Its value is as an assemblage of thoughts, not constraints. (Peters, 1989, p. 511)

In other words, it is what is created from the process, namely the development of flexibility, responsiveness, attention to customers and sound thinking, this is important not the document. Crosby supports this view of strategic plans, he comments,

> sometimes I think that it tends to restrict us, to limit our stretching out to go after something that we're not sure we can accomplish ... in real life ... things don't come to a halt while you prepare yourself for battle. (Crosby, 1986, p. 30)

Deming himself, referring to the need for fast moving business, stated that,

> the future is ninety days at the most. (Walton, 1986, p. 57)

The key is the development of a collection of skills and capabilities,

> which translates into readiness to seek and exploit opportunities, rather than emphasising static approaches to market development. (Peters, 1989, p. 57)

Stacy (1992) continued the application of chaos theory to business and management referring to Dynamic Business Strategies. This analysis adhered more closely to the theory of chaotic dynamics. Stacy agrees with Peters with regard to unpredictability, but goes further in placing an emphasis on the fact that in terms of pure chaos theory there is no stable or steady state, it is therefore, unattainable. So the assumption that the future can be predicted and that a strategic plan can be prepared to take advantage of this projected future is flawed, since it is based on the existence of stability and the ability to attain this in the business environment. So Stacy would therefore agree with Peters that the preparation of a large detailed long-term plan is inappropriate.

The assumption that stability can be attained and that long-term plans alleviate anxiety about the unknown future, are the drivers of the existing strategic processes. If this is the case then,

> you will simply repeat your past or imitate others who are already moving on to better things. If you lower that preoccupation with stability, that primitive defence against anxiety, you will open up the potential for creativity. (Stacy, 1992, p. 8)

In this flexible, dynamic environment, companies are reorganizing their strategic planning by delegating the planning responsibility to individual units allowing multilevel planning and encouraging broader input (Wall, 1997). These new approaches to corporate strategy and planning are being given impetus by theories such as chaos theory, which are continuing to mould and develop strategic theory and practice. This, in itself, reflects many of the tenets of TQM, indeed the dynamics and competitive edge offered by TQM is seen as the necessary strategy for the future.

> Today competitive advantage is created by companies that are capable of shifting the burden of choice from the customer to the vendor. (Goldman et al., 1995, p. 59)

The strategic importance of TQM

Having considered the development of both TQM and strategy respectively, the strategic influence of TQM will be considered. The strategic importance of TQM has long been argued due to evidence that

> companies that furnish quality products can charge more for products, with resulting higher profit margins. Data shows that improvement in product quality has a stronger relationship to increases in market share than does price. (Calingo, 1996, p. 19)

This has lead to TQM's link to corporate strategy being considered a logically important issue (Chorn, 1991). Ross (1994) considered corporate strategy to be inherent to Total Quality since TQM begins with a strategic decision. That decision can

> only be made by top management—and that decision, simply put, is the decision to compete as a world class company. Total Quality concentrates on quality perfor-mance—in every facet of business—and the primary strategy is to achieve and maintain competitive advantage. (Ross, 1994, p. 91)

Ross further considers the development of the corporate competitive strategy.

> TQM becomes part of the company strategy when the methods and goals are so widely deployed throughout the company that all its processes are pointed in the same direction. (Main, 1995, p. 8)

These goals, policies and plans and the organization involved in creating them will be put in place over a long period of time. This will then affect the organization in many ways. The culture that guides members of the organization and other stakeholders, the position that it will occupy in an industry and market segments, and determining the particular objectives and allocating resources to achieve them all, follow from the process determined by the strategy. Therefore, it can be seen how a strategy based on quality can pervade all aspects of an organization. This pervasive quality strategy provides the basis upon which plans are developed and communications achieved. Ross argues that although the process of formula-tion and implementation may require staff input the ultimate decision is fundamental to the job of the CEO. Critically he states that it cannot be delegated.

Livsey (1993) spoke of the natural necessity to align quality programmes with business strategy to ensure that quality efforts reflect the long-term goals of the organization. De Vries & Rodgers (1991) emphasized the importance of top down and bottom up consultation and communication to translate overall goals into specific targets and company wide coordination (Hartz, 1998). Hiroshi (1998) pointed out that to ensure economic success the concept of Total Quality needs to be aligned with strategic management and, in particular, such issues as product life cycles, business and product positions, time series analysis to predict future performance and the involvement of employees. Dew (1998) warns that those not embracing quality as a fundamental value and strategic principle are going to fail. Moreno-Luzon & Peris (1998) considered a coherence between TQM and strategic approaches since TQM provides the characteristics to respond to key economic trends and impacts. Using a conceptual model they consider the relationship between TQM and two distinct forms of strategic functioning, that of traditional strategic planning and design and that of new strategic architecture such as emergent strategy (Hamel & Prahalad, 1994).

Others, such as McKechnie & Arnold (1994) and Harrington et al. (1999) point to the systems theory approach of TQM, which makes it inherently an integrative and strategic issue.

> Rooted in systems theory, TQM invokes the inescapable inter-relationship of all

parts of the organisation ... TQM stresses the importance of cross-functional relationships. (McKechnie & Arnold, 1994, p. 1)

When this systems approach is considered it can be seen that TQM has influence in all aspects of organizational functioning, from human resource management (Morrison & Rahim, 1993) to organizational politics (Wilcox, 1994). From this stance of TQM being strategically significant, Strategic Quality Management (SQM) evolved.

Strategic Quality Management

Strategic Quality Management (SQM) itself is not new, the term and concept was introduced by Garvin (1988) who stated that

the beginnings of strategic quality management cannot be dated precisely, for no single book or article marks the transition ... in the most radical departure of all, many have insisted that quality be viewed as an aggressive competitive weapon. (Garvin, 1988, p. 21).

The basis of the strategic approach is understanding the customer's point of view, and to do this eight dimensions or categories of quality were identified: performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality. Garvin considered strategic quality management to be

the capstone of a trend that began more than a century ago ... today it has entered the boardroom. (Garvin, 1988, p. 36)

This concept of eras of quality is closely aligned to the waves of quality discussed by Senge (1992a) whose ultimate goal is the creation of learning organizations. The first wave of quality focused on improving work processes, the second the way we work and think, which has particular emphasis on managers, and finally the third wave is a merging of the first two where learning becomes a way of life. Juran considered SQM to be

A systematic approach for setting and meeting quality goals throughout the company ... the apex of the broader system of managing quality throughout the company. (Juran, 1988, p. 176)

The approach to applying SQM involved ideally scaling up from a project by project basis, establishing quality goals as part of the company plans, adopting cultural change, re-evaluating priorities, organizational restructuring to include a quality council, extensive training for all and

upper management participation in managing for quality, to an unprecedented degree. (Juran, 1988, p. 179)

A theory of Strategic Total Quality Management (STQM) was later developed (Madu & Kuei, 1993) as an extension of TQM, which was based on a total system view of quality viewing

quality as the driving force to the survivability and competitiveness. (Madu & Kuei, 1993, p. 122)

SQM is again seen as the key to being competitive, however, the philosophy needs to emphasize integrity, environment issues and social responsibilities as key elements (Madu &

Kuei, 1994; Madu *et al.*, 1994). The influence of the philosophical aspect of TQM is emphasized repeatedly as the underpinning of success.

Each of these issues are explained and extensive dimensions of STQM listed from customer needs through organizational flexibility to organizational learning and sharing. Also included are strategies that include management development, employees retention and leadership to disaster planning and crisis management training, they are only put forth as discussions: intended to offer guidelines to quality managers and they concern the critical factors that will affect the successful implementation of STQM (Madu & Kuei, 1994, p. 266). Calingo (1996) considered the integration of strategy formulation of TQM to follow a sequential evolutionary pattern. The stages involve Annual Budgeting, at this stage quality is simply conformance to specification and demand for the product or service high, the next is Long Range Planning; here, senior managers use TQM to focus on product improvement. The third step is Strategic Quality Planning, here the customer is considered closely so that the impact actively influences the marketplace. This is followed by Management by Policy, in which Quality improvement is coordinated across the organization and Quality is seen as a strategic weapon. Finally, Strategic Quality Management is attained when strategic planning and quality planning have 'merged into one seamless process, owing to a free flow of information between strategic planners and quality planners (Calingo, 1996, p. 34). The core concepts identified were customer focus, leadership, continuous improvement, strategic quality planning, design quality, speed and prevention, people participation and partnership and, finally, fact-based management. These core concepts parallel the European Quality Award and the Malcolm Baldrige National Quality Award.

The strategic importance and role of TQM has become an accepted position. (Kanji *et al.*, 1992). However, there has been an emergence of a debate further placing TQM at the heart of business decision making and influence as a—or indeed 'the'—corporate issue.

> American companies are taking a second look at quality. However, ... the focus is no longer on quality's sake, but on the strategic use of quality. Many businesses have learned that quality initiatives must go beyond being tied to the bottom line, and must be integrated into the company's strategy. (Voss, 1994, p. 42)

Dale, in regard to SQM, states that in its pursuit,

> managers require a system to develop policy, communicate, allocate, resources, focus and align actions, and control corporate drift. (Dale *et al.*, 1998)

This emphasizes the importance and impacts of SQM, the fact that what is required is a TQM focus on the strategic dimensions of an organization and therefore a deeper consideration of environmental issues. Although this certainly discusses and clarifies the true strategic potential of TQM and how many of the Gurus expected it to be applied, it still has no empirical evidence to support TQM's application is this manner in practice.

The application and development of Strategic Quality Management

Is SQM the competitive tool and is it practised as a central corporate issue? The extent of focus or dependence on SQM as essentially all that is needed to satisfy customers and act as the core of business is questioned by many. It is widely accepted that for TQM to be successfully implemented, it is essential that senior management fully support it and are aware of its importance (Kanji & Asher, 1993); however, in many cases quality data are not influencing management in policy decision making.

> The results of quality data analysis, although they were adequately processed, did not appear to be influencing top management and quality policies. (Gundogan *et al.*, 1996, p. 384)

In many cases companies had not established

> adequate accounting information systems to provide valuable information on how well they are doing. (Cable & Healy, 1996, p. 142)

So, despite the obvious need for top management support and appreciation of the strategic role of TQM, it has still not become accepted or fully incorporated at the strategic level. The source of these problems is that

> senior management in these companies is only paying lip service to implementing TQM without any real commitment to making changes. Lower level managers are frustrated because they cannot convince senior management of the benefits of TQM. (Terziovski *et al.*, 1996, p. 479)

It is this sort of response from senior management that leads to TQM being considered a realm of rhetoric, bureaucracy and a fad (Dawson, 1998). The true danger with such hubris is the effect that it has on employee attitudes, trust, and culture and future projects. As Eccles & Nohria point out,

> in organisations words without deeds are less than empty since they can potentially undermine the power of all the words that follow them. (Eccles & Nohria, 1992, p. 10)

Senior management support and the very elimination of lip service has for years been the underpinning tenant for TQM (Deming, 1986).

> Quality mindedness for top management must be more that a matter of lip service ... Interest in quality has to be genuine and borne out by action. (Feigenbaum, 1997, p. 205)

In the worst case scenario, TQM has not only lacked strategic focus but

> has been introduced as a bolt on to unchanged business culture (Zairi *et al.*, 1994, p. 39).

In many cases, senior management have not yet been convinced of the success of TQM and are battling with a dynamic business environment. They are more concerned with survival than repositioning their views of TQM from an activity it invests into an integrated philosophy that aids the strategic direction of the organization (Butz, 1995) and focusing on the complex communication, change and deployment required to coordinate successfully TQM and corporate strategic issues. A 1999 interview with Juran reflects the fact that TQM in his view still had not achieved a level of strategic influence but rather it was the ideal and still a goal. Juran stated,

> They've got to raise their outlook from looking at what happens in the grass blades of the company to looking what happens at the corporate level ... That's what needs to be the emphasis of quality. (Gaboury, 1999, p. 31)

But even in the situation where there is a

> strong strategic intent to promote quality as a strategic advantage through TQM (Barclay, 1993)

there is a lack of achieving this due to poor communication and policy infrastructure. This has been the situation of the majority of well meaning companies seeking to achieve SQM. The underlying problems have been lack of the quality strategies to act as a foundation and the continuing misperceptions of TQM by company leaders (Aravindan *et al.*, 1996). It is such difficulties that have lead to many rejecting SQM, stating that

> there are neither simple competitive panaceas nor universal cultural techniques for moulding the behaviours of a diverse range of employee groups into a unitary view of the world of work and the nature of business operations. (Dawson, 1998, p. 13)

The limited empirical work that has been carried out on the quality-strategy association has had strong financial focuses relating to financial impacts (Cable & Healy, 1996). There are also wider performance impacts of TQM (Easton & Jarrell, 1998) which relates to MBNQA and EFQM benefits where the performance of TQM is too specific to relate to the wider corporate environment. A case in point is a piece of research that examined the implementation and extent of SQM in special information centres, special libraries and academic libraries in Nordic countries (Johannsen, 1996). However, recent affiliated research into the issue of the TQM strategic relationship has shown that, as in the case of Kaye & Dyson (1995), that as yet an integration does not exist. Their research concluded that in the majority of cases, continuous improvement did not permeate the strategic process, strategic performance was not measured (indeed customer feedback was not used in the strategic process) and there was a lack of supporting infrastructure for the culture change. For example, the HRM department had not been linked to the quality effort. There was a lack of focus on strategic goals and where there were signs of data collection these were not linked to improvement strategies. Indeed Wilcox (1994) found that TQM was perceived as a second- or third-order strategy (Wilcox, 1994, p. 23). This was supported by Morgan & Piercy (1996). They found that, in many cases, although TQM was used in SBUs to meet certain objectives, it was not part of an overall strategy and concluded that there is considerable ambiguity concerning the role of quality in competitive strategy (Morgan & Piercy, 1996, p. 233). Although SQM has existed for some time

> organizations are still practising a narrow definition of quality and totally missing the competitive potential of quality strategy and the total quality management approach. (Kanji *et al.*, 1992, p. 8)

A concluding research agenda

There is evidence of a lack of an in-depth study on the relationship between TQM and corporate strategy beyond the financial-based impact measures and focused on its application and especially on the dynamics involved in the relationship. There is a need for an integrated quality and business approach that aligns with the company's strategic objectives. Over the last ten years there has been a considerable amount written on how to implement TQM as part of the overall management and business process but, to our knowledge, none has provided an explicit process for integration of TQM (LaHay & Noble, 1998, p. 567).

> Little is known about the process by which quality works its way into the organisational mainstream (that is, the process of integration), of the ways in which organisations with mature quality efforts have integrated them with other aspects of the organisation (that is the outcome of integration). As many organisations appear to be at the make-or-break stage of quality implementation, opportunities for this research should be abundant, and its importance clear. (Dean, 1998, p. 22)

Morgan & Piercy (1996) underlined the fact that the link between strategy and quality has not yet received enough attention in either the quality or strategic literature. They emphasized that there is, as yet, limited knowledge of the links between quality strategy and competitive performance due to the lack of focus,

> upon the fundamental questions of how quality may be effectively utilised as a base for competitive strategy. (Morgan & Piercy, 1996, p. 231)

Morgan & Piercy go further by stating that, owing to a lack of conceptual understanding, a construct development or even clear empirical evidence of the relationship between TQM and corporate strategy, this is an 'area of priority for future research' (Morgan & Piercy, 1996, p. 235). They stated that this area of research is both pertinent and applicable to industry as,

> this is clearly an area which is attracting a great deal of interest and there is an urgent need to explore what senior managers are increasingly recognising as critical interfaces in the pursuit of sustainable competitive advantage and superior business performance. (Morgan & Piercy, 1996, p. 242)

The strategic role and dynamics of TQM are the areas that need to be explored (Schonberger, 1992) and to move away from the primarily financial performance studies relating to TQM strategic impacts (Cable & Healy, 1996; Easton & Jarrell, 1998). As for the nature of the research, what is required is more understanding at senior management level and empirical evidence of the value of TQM. This will only come about by having an open mind and listening to those who do understand and have the detailed knowledge about TQM and its implementation (Terziovski et al., 1996). The means of attaining such empirical data is in line with the suggested longitudinal approach for future TQM research suggested by Obert & Spencer (1996) and the case study approach that Simon et al. (1996, p. 41) considered to provide 'rich and deep insights to quality management practices'. These particular methods and approaches to researching TQM practice can provide a more holistic understanding of TQM (Wilkinson & Willmott, 1996) and act as a focus for research in this area.

In regard to creating a conceptual understanding or construct development of the relationship between TQM and corporate strategy as part of this research it is with the understanding that there are no universal panaceas (Dawson, 1998) or a,

> single successful model of strategic quality management (Garvin, 1988, p. 27)

However, conceptual models can be used to attempt to represent the interrelated dynamics of this complex relationship on a generic and non-prescriptive level. Figure 1 is a useful conceptual summary of the paper.

This model shows the three levels of TQM application and resultant programmes, namely operational, tactical and strategic. The operational level is characterized by TQM-based improvement initiatives and projects. The tactical approach is concerned with the application of strategy; however, the strategic approach is fundamentally linked to strategy formulation and is indicative of best practice TQM applications.

Having established through the literature the lack of focus on the relationship between TQM and corporate strategy and the lack of empirical evidence of the application of TQM in a strategic role in practice, particularly in regard to non-financial performance impacts, these are recommended as key research issues. That is, a holistic and rich understanding of the practice and dynamic of TQM is needed.

Rather than testing hypotheses, it is recommended that a grounded approach is used to develop a picture of practice on the basis of generating theories. What is needed are the key
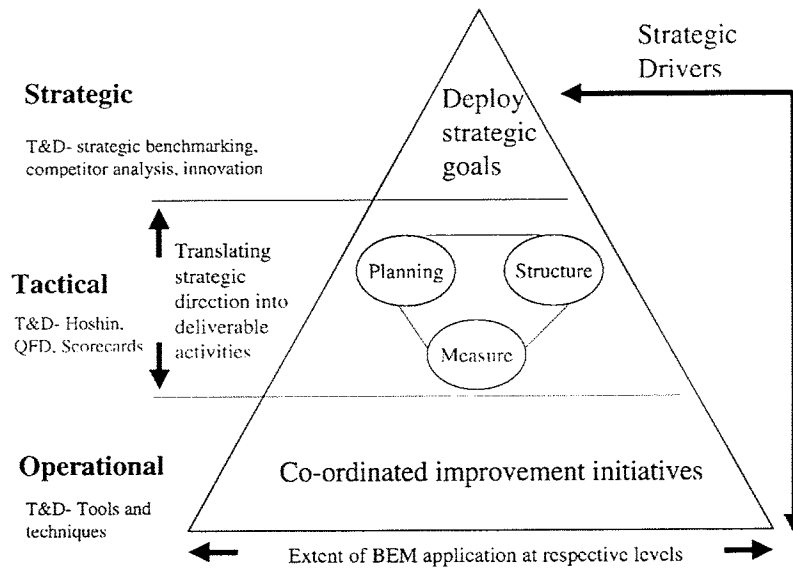
Figure 1. *The strategic positioning of TQM*

issues and dynamics of TQM and its relationship with corporate strategy. To ensure that the true issues are examined they first must be established as the true issues that the practitioner deals with on a daily basis. Therefore, research approaches will include listening, open-mindedness and encouraging rich insights.

In summary, the issues to be determined are:

(1) The nature and extent of the strategic impact of TQM, its application and developmental imperatives.

(2) An understanding of the dynamics of integration, how it functions and the associated issues and their interaction.

In concluding, the authors would encourage the research communities in both strategy and quality to develop meaningful research programmes in these areas.

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