



TOTAL QUALITY MANAGEMENT (TQM)

The Success &
The Failure
Factors

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TQM IN MANUFACTURING - TATA STEEL CASE STUDY

Tata Steel, one of the largest steel producers in the world, successfully implemented TQM and won the prestigious Deming Application Award (the first non-Japanese integrated steel company to earn this). TQM at Tata Steel emphasized leadership-driven quality culture, employee training, and continuous improvement, helping the company achieve global excellence even during economic downturns.

- **TQM Objectives:** Improve things, Improve quality, and Save money.
- **TQM Approach:** Simple reports & action focused, training for multi-skilled teams, and a management hierarchy designed for accountability.
- **Tata's success:** \$1.2 billion more in profit and improved cash flow. Created a culture of continuous improvement, giving workers the skills to handle future changes and challenges.

TQM IN NON-MANUFACTURING – ATLANTICARE HEALTHCARE

AtlantiCare, a New Jersey healthcare provider, achieved a significant boost in both profit and patient satisfaction by adopting TQM principles outside the manufacturing sector.

- **TQM approach:** Adopted the “plan-do-check-act” cycle, encouraged feedback from all employees (not just management), and cultivated a culture of continuous improvement.
- **Outcomes:** Revenue increased from \$280M to \$650M after implementation, with repeat customer numbers tripling and rapid growth in market share.
- **Key lesson:** TQM can transform service-oriented organizations, not just those focused on physical products.

TQM FAILURE - CASE IN HEALTHCARE SECTOR

- There are documented cases showing TQM can fail, especially when critical conditions for success aren't met.
- Example: Literature review on healthcare reveals frequent failure reasons—lack of management commitment, cultural resistance, inadequate training, insufficient resources, and improper tool application.
- Key findings: Without a supportive environment and strong leadership, TQM efforts can flounder, especially in settings like hospitals or clinics.
- TQM is not universally effective; context and implementation matter greatly.

SUCCESS VS FAILURE FACTORS

Context	Success Factors	Failure Factors
Manufacturing	Strong leadership, employee involvement, clear goals	Insufficient training, lack of top-down support
Non-Manufacturing	Inclusive feedback, continuous improvement	Resistance to change, lack of communication

WHEN TQM IS NOT APPROPRIATE

- There are situations and sectors where TQM isn't suitable or fails to deliver benefits.
- Failure points include: lack of measurable outcomes, short-term management focus, or environments where continuous improvement isn't valued or incentivized.
- Sectors like healthcare sometimes find TQM too rigid or poorly adapted to complex human-centered service delivery.
- Organizations should assess their culture, resources, and leadership willingness before embarking on TQM initiatives.