Quality in the selected management concepts

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Abstract
The article presents the status of quality in various management concepts (in outsourcing, supply chain management, TQM). It has been assumed that quality status defines the function and/or the significance of quality in the organization management concept. The carried out studies have demonstrated that the term of quality is most frequently defined in the TQM concept (even though also in this case there are definition disputes). In the remaining concepts of pro-quality management authors refer most often to definitions given by the TQM precursors. The authors describe the role of quality (various approaches) and the fundamental determinants of achieving quality in selected management concepts.

Paper type: review article

Keywords: quality, outsourcing, total quality management, supply chain management

Introduction
Among the principal objectives of the present article the authors include the following:

– definition of quality status in pro-quality management concepts,
– identification of determinants influencing quality development.

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Literature analysis was the fundamental method applied in this work. Inter alia, publications from journals dealing with the quality issue were used. On the basis of overall analysis, first the gathered material was analysed, rejecting the work of minor scientific value, and the full body of material was subjected to selection in terms of the chosen scientific subject. The next step included classification and categorization. Most of the issues were arranged by assigning content to agreed research issues. In the study, it was assumed that the quality status defines the function and/or significance of quality in the concept of organization management.

1. Quality in outsourcing

Outsourcing is currently a very popular management concept. One could venture to say that each and every organization applies it to a greater or lesser extent. When defining outsourcing the following examples of the concept can be found:

- outsourcing signifies delegating to an external agent operational responsibility for processes and services previously carried out by the organization (Franceschini, Galetto, Pignatelli, & Varetto, 2003),
- outsourcing consists in obtaining produce and services from sources external to an organization (Schniederjans & Zuckweiler, 2004),
- outsourcing is connected with traditional decision-making problem make or by, and stands for reaching a decision to commission some activities of an organization to external suppliers.

These formulations highlight the fact that outsourcing is one of two primary decision options regarding location where organization’s functions and processes are carried out.

The issue of outsourcing is present in numerous contemporary scientific currents. As a research subject it can be found among others in (de Boer, Gaytan, & Arroyo, 2006) economics of transaction costs, resource-based view, strategic management, evolutionary economics, human resource management and logistics.

Application of outsourcing implies using one of its varieties. There can be found among others:

- domestic and international outsourcing (Schniederjans & Zuckweiler, 2004), where location of suppliers is the division criterion,
- traditional outsourcing (focused mostly on cost reduction) and strategic (oriented on joint creation of value) (Franceschini et al., 2003).

Usage of the international and strategic form usually results from the evolution process of applying outsourcing concept and is preceded by employing domestic
Table 1 presents selected formulations of the quality status in the outsourcing concept.

Table 1  *Selected formulations of the quality status in outsourcing*

<table>
<thead>
<tr>
<th>Formulation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The subject of diagnosis in analysis of demand and comparison with competition</td>
<td>In the initial stage of the outsourcing process it is necessary to identify the clients' quality requirements and compare own quality potential with competitors</td>
</tr>
<tr>
<td>Decision-making criteria for application of outsourcing</td>
<td>Considering quality implications of introducing outsourcing</td>
</tr>
<tr>
<td>Risk factor</td>
<td>At the operational level it means supplier's failure to meet the requirements. At the strategic level it stands for the risk of loss of reputation</td>
</tr>
<tr>
<td>Criterion for evaluation and monitoring of suppliers</td>
<td>When selecting partners, quality is the criterion for evaluation of the supplier's potential. Then, it is one of the criteria for monitoring supplier's achievements.</td>
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As it can be noticed, the quality factor applies both to the operational and strategic dimension of outsourcing. What is more, it is also significant in the entire process cycle of employing this concept.

Potential influence of implementing outsourcing on the quality, as a result category, is not explicit and can be considered both in terms of benefits and disadvantages.

Among others qualitative benefits may be related to:

- organization's ability to use good practices developed by suppliers (Linder, Cole, & Jacobson, 2002),
- enhancing innovation due to obtaining access to the world-class resources (Linder et al., 2002),
- direct quality improvement resulting from suppliers’ specialization (Embleton & Wright, 1998),
- organization's strong focus on key competencies (Wu & Park, 2009).

Potential quality dysfunctions, in turn, may involve:

- loss of key competencies and quality potential due to competition pressure (Leavy, 2004),
- taking over responsibility for the quality of suppliers’ work (Schniederjans & Zuckweiler, 2004),
- direct quality drop as a consequence of pressure to reduce costs by the suppliers (Embleton & Wright, 1998).
Therefore from the presented considerations it can be concluded that there are complex mutual relations between outsourcing and quality.

2. Quality in supply chain management

The concept of supply chain management has been present in the literature of the subject already since 1980’s (Svensson, 2003). However interest in this concept has substantially increased among others due to dissemination of its practical application. Employment of the discussed concept revolutionized issues of competitive advantage in many sectors, inter alia by obtaining simultaneous result of radical cost reduction and value maximisation for customers (Stonebraker & Liao, 2006). In development of theory of supply chain management there are three major approaches; atomistic (most frequent) and holistic and interdisciplinary (both less frequent). The essence of the supply chain management concept can be characterized as follows:

- it is connected to management of relatively closed inter-organizational relations where understanding of partnership principles is key for achieving joint success (Svensson, 2003),
- it is a combination of integrated business philosophy and necessary implementation actions (Svensson, 2003),
- it is of multi-dimensional character, reminding an open umbrella over a series of detailed management methods, techniques and tools (Stonebraker & Liao, 2006),
- supply chain is fully co-ordinated when it has global objectives defined (van Veen-Dirks & Verdaasdonk, 2009).

Much of the literature of the subject addresses the role of integration in supply chains. Integration causes previously separate organizations to work together as part of the supply chain in order to achieve jointly accepted results (Richey, Chen, Upreti, Fawcett, & Adams, 2009). According to some researchers, participation in supply chains results in development of new type of organizations different from the ones hierarchy- or market-oriented. These are hybrid organizations where the management process is mostly based on interorganizational co-ordination and cooperation (van Veen-Dirks & Verdaasdonk, 2009).

The quality status in the concept of supply chain management can be defined with the use of components listed in Table 2.

As seen, the role of quality in the concept of supply chain management is essential and is made manifest both on strategic, tactic and operational management level and demonstrates relation with the entire process of supply chain management.
Table 2  Selected formulations of quality status in supply chain management

<table>
<thead>
<tr>
<th>Formulation</th>
<th>Explanation</th>
</tr>
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<tbody>
<tr>
<td>Integrating objective</td>
<td>Defining global quality objectives is one of the factors integrating supply chain components</td>
</tr>
<tr>
<td>Subject of formalisation and standardization</td>
<td>Quality, like other requirements, is subject to codification, formalisation and standardisation in order to eradicate excessive diversity</td>
</tr>
<tr>
<td>Integration barrier</td>
<td>Too great quality differences between supply chain partners may constitute a barrier to its integration</td>
</tr>
<tr>
<td>Criterion for assessing co-ordination efficiency</td>
<td>Quality, like innovation and customer satisfaction, is one of the key criterion for appraisal of efficiency of co-ordination actions</td>
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Source: own elaboration based on Huang, Yen, & Liu, 2014; Singh, 2011; van Veen-Dirks & Verdaasdonk, 2009.

Application of the supply chain management concepts may lead to a series of qualitative benefits resulting from:

- reallocation of organization’s actions creating supply chain towards specialization (van Veen-Dirks & Verdaasdonk, 2009),
- precise definition of quality requirements for all actors of supply chain (van Veen-Dirks & Verdaasdonk, 2009),
- synergy effect following integration of supply chain with the use of external and environmental factors (Richey et al., 2009),
- joint reaching decisions by actors of supply chain which may lead to improvement of customer service (Singh, 2011),
- information and knowledge sharing on the part of supply chain actors (Huang et al., 2014),
- optimisation of joint use of assets at disposal (Huang et al., 2014),

Whereas threats to quality in supply chain management may be related to:

- shortcomings in interorganizational integration (Richey et al., 2009),
- insufficient and irregular monitoring of consumers’ changing expectations (Richey et al., 2009),
- objective conflicts between supply chain actors (Singh, 2011).

Therefore, it can be stated that for quality consequences of application of the supply chain management concept depend largely on accuracy of this chain as well as on the current implementation of management processes.
3. Quality in TQM

There are numerous definitions of TQM (Total Quality Management) – management through quality (e.g. Dale, 1999). They refer to a set of quality management principles, organizational culture, process approach, etc. The term of quality is rarely defined in works on TQM. It is assumed that quality research raises many difficulties. Such evaluation is subjective and individual, dependent on numerous situational factors, experiences and needs. Quality is something that customers themselves evaluate – “Quality is in the eye of the customer” (Shrader, 1995). In the classical sense, quality is something that satisfies clients’ needs. Deming discussed current and future needs. Crosby talked about agreement with requirements (Oakland, 1995). In Kano’s model there are: attractive quality, one-dimensional quality, must-be quality, indifferent quality, and reverse quality. According to some researchers this model accurately demonstrated relations between the service quality and customer satisfaction (Chen, Liu, Hsu, & Lin, 2010). The term of quality is also directly connected with the idea of quality culture. Here, levels of organizational development are mentioned or business ethics is referred to most frequently (Cameron & Sine, 1999).

In the TQM concept the mere term of quality is the most important, yet anyone who reviews the literature will soon arrive at the conclusion that it is problematic to define what the quality is. Since it is to meet the needs (but the needs happen to be imposed), it is to meet the requirements, to be a continuous element of organizational culture, to manifest itself in organization’s actions, etc. It may therefore be considered that TQM is one of the fundamental organizational values. Quality, as many studies prove, is closely related to other values, such as for instance trust, is dependent from the TQM maturity levels, extent of using quality principles, employed excellence models. In TQM quality plays several crucial roles:

- defines ways of designing and manufacturing goods,
- it is a factor continuously influencing management styles and methods,
- identifies strategic actions (including ways of setting quality objectives).

Analysis of TQM critical factors, i.e. those which are to contribute to economic and social successes, has proven that there are many factors determining efficient and effective TQM. Mostly, among critical factors there are tasks taken by middle level management, training, process management, supply chain management, data quality, reporting, role of quality departments, employees’ relations. Furthermore, TQM involves benchmarking, implementation of quality principles such as employee engagement, customer focus, statistical quality control, etc. (Kaur & Sharma, 2014). Other studies illustrating success of TQM and TPM have proven that success achieved by organizations depends both on technical, organizational and social factors (e.g. employees’ morale, competencies, sense of security) (Kaur, Singh, Ahuja,
& Singh, 2015). In case of TQM its proper implementation is influenced by the following factors: management’s commitment, efficient communication, people’s adaptation to technical system – work environment, organizational support (Nasim, Iqbal, & Khan, 2014). Moreover, analysis of studies on failures to introduce TQM also provides answers to the question about TQM critical factors. It is pointed here at lack of employees’ engagement, lack of quality awareness, inadequate organizational structures, lack of adequate resources (Sadikoglu & Olcay, 2014). Studies so far have shown that without psychological, organizational, resource (including financial) support introduction of TQM is doomed to failure.

It is also worth noting that a large majority of studies is focused on identifying TQM secondary factors without deeper search for root causes of TQM success. For instance, if lack of employees’ engagement is involved what factors are responsible for this situation. In order to obtain greater knowledge of TQM effectiveness it would be recommended to reach for results of studies which show the influence of various factors on the discussed engagement.

4. Quality in knowledge management

Knowledge management (KM) comprises processes enabling creation, dissemination and application of knowledge for the purpose of achieving organization’s objectives (Grudzewski & Hejduk, 2005).

It might seem that quality in knowledge management may be considered from two fundamental approaches. The first one assumes that quality of knowledge determines individual KM processes. For instance, the process of gathering knowledge, its obtaining must take into account the quality of knowledge which will be later used. Secondly, the quality of the entire KM process determines the result, i.e. knowledge quality and further quality of products. In order for this to take place the entire KM process must include evaluation of quality not only of the knowledge but evaluation of quality of knowledge creation, storage, transfer and application. Nevertheless such an understanding of quality is grossly simplified. For different questions can be asked – what determines quality of the KM processes? How does the organization’s environment (its organizational atmosphere and culture) impact the quality of KM? There is no separate definition of quality in KM. It is the consequence of the fact that KM has much in common with TQM and sometimes it is assumed that TQM laid the foundation for implementation of KM (Adamson, 2005).

On the grounds of literature analysis it can be stated that quality in KM is not a superior value but plays several important roles:

- it determines the scale of obtained knowledge (e.g. unsatisfied needs trigger new tasks related to perfecting of produce),
- it shapes relations between stakeholders and thus strengthens or weakens KM processes,
- as organizational value it co-decides about organization’s success in implementation of KM.

It is worth noting that sole efficiency of KM depends on many factors; for example on the level of organizational trust.

Currently, there is a tendency to combine KM with traditional quality management systems. It is rightly observed that traditional systems do not make use of the knowledge located in the entire organization. For instance, quality management system compliant with the ISO norm only indirectly contains elements of KM. Knowledge about ways of influencing product quality is gathered by means of improvement actions, data analysis, suppliers evaluation, analysis of reasons for non-compliance. Studies provide clear evidence that better business results are achieved where KM has been integrated with QM (Quality Management) (Garstenauer, Blackburn, & Olson, 2014). Research carried out in the public sector has also shown that organizations, which has combined quality management systems with KM are able to achieve better results – higher customer satisfaction level (Brito, Cardoso, & Ramalho, 2010). In healthcare application of KM leads to improvement of services (Orzano, McInerney, Scharf, Tallia, & Crabtree, 2008).

Efforts to combine KM with TQM were made already earlier. It was considered that Knowledge Management fosters innovation and quality owing to the fact that it introduces a certain organized way of creating knowledge, its storing, transfer and application. TQM in turn thanks to systemic and holistic quality improvement has a positive effect also on innovation (Honarpour, Jusoh, & Md Nor, 2012). It is also believed that KM is a concept, which should enhance the quality culture (Stewart & Waddell, 2008).

Some studies carried out in the service sector show clearly that application of KM (knowledge diagnosis, gathering it, generating, sharing, storing and application) strengthens TQM (Aboyassin, Alnsour, & Alkloub, 2011). Use of KM favours service quality improvement, reduces costs, boosts the quality of interactions, advances faster creation of new knowledge (Su & Lin, 2006). Application of KM is directly conducive to quality and perfection in their broad sense because it enhances organization’s potential, its ability to achieve quality (Akdere, 2009). To date studies illustrate positive relations between quality and use of KM principles. However, one can ask if such results can be obtained always and everywhere. Majority of studies was carried out in environments, which recognize the value of knowledge (e.g. healthcare, insurance industry, where statistical tools are used and quality data is analysed on an ongoing basis). Positive results are most frequently obtained where TQM concept or normalized quality management systems were applied.

In order to answer this question it is necessary to turn to studies illustrating conditions for efficient implementation and maintenance of KM. For instance,
many studies show that in knowledge management high level of trust is (Renzl, 2008; Ford, 2004; Hoe, 2007; Levin & Cross, 2004). Knowledge management requires adequate organizational culture (Kang, Kim, & Chang, 2008).

5. Quality in the internal marketing concept

Internal marketing (IM) was originally defined as a means to manufacture internal products (of work), which could satisfy the needs of internal market (of employees) who are to contribute to achieving organizational objectives (Berry, Hensel, & Burke, 1976). In the studies on internal marketing the mere quality is not defined but rather reference is made to the concept of service quality (Sargeant & Asif, 1998). It is assumed that quality is something, which satisfies employees’ needs (Berry et al., 1976) and thus clients’ needs. In the IM concept, quality functions as the following:

- as a result of social process (interpersonal contacts), it co-determines the evaluation service quality,
- as a degree of needs satisfaction, it co-decides about employees’ tendency to maintain and establish new relations,
- as a degree of compliance with the requirements, it co-decides about development of relations between individual stake-holders (here the problem of increasing demands originates).

Numerous studies prove that IM has a positive impact on service quality (Tsai & Tang, 2008; Opoku, Atuobi-Yiadom, Chong, & Abratt, 2009). Some of researchers believe that internal marketing should be supported with training (Tsai & Tang, 2008). While others see the high value of services in the fact that internal marketing reduces the fluctuation, improves the quality of internal relations (quality of internal services), increases organization's ability to introduce changes (Iacobucci & Nordhielm, 2000). Scientists are convinced that companies of high level of satisfaction are capable to manufacture products of high quality. Goods quality is expected to lead to higher customer satisfaction (Anderson & Mittal, 2000; Shah, 2014).

Importance of IM for quality improvement can be found in the fact that this concept properly implemented has a positive impact on knowledge sharing. For instance, studies carried out in hotel industry show that relations between clients (internal external) positively influence development of employees’ competencies and improve the quality of provided services (Yang, 2015).

In the literature it is emphasized that IM does not always contribute to improving quality. The use of IM requires meeting several critical principles, among others, unclear division of responsibilities must be avoided along with situations, which might easily generate role or interest conflicts. Internal communication, feedback
and internally established procedures are also of great importance (Ahmed & Rafiq, 2002). However, cultural factors are regarded as the most important, namely quality awareness expressed as knowledge of external and internal quality requirements, clients’ requirements.

Conclusions

The text analyses the status of quality in five selected current management concepts. Studies carried out by the authors have shown that this status is multithreaded and complex since the status comprises formalizing, efficiency and organizational elements. In general, prominent role of quality has been demonstrated in the discussed concepts.

The second, fundamental result of the studies was to present the influence of applying selected concepts on quality. In this case it was found that this influence is multidimensional and refers to quality in each of its basic meanings, i.e. quality in the market, technical and compliance understanding.

References

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