

# Implementation Of Total Quality Management Systems In Saudi Arabia

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## Abstract

*In the current business world, as a result of continuous changes in customers' requirements, information and communication technologies, and workforce diversity due to the globalization of international markets, many companies wish to build a competitive advantage to gain leadership positions. To build that advantage, companies emphasize customer satisfaction, improve the quality of products/services, lower costs by eliminating errors and waste, optimize production and/or service processes, and align standards with international standards.*

## 1. Introduction

Developed countries have analyzed the imperative role of TQM in achieving their goals in the face of increasing competition resulting from changes in the global economy by the mid-1980s and early 1990s. TQM is based upon<sup>1</sup> or led by the criteria developed by the Malcolm Baldrige National Quality Award of the USA. ARALDITE, one of the leading adhesive manufacturing companies in India, attributes its success to TQM since it helps improve the quality of its products and services to comply with global standards. TQM is the best means of achieving these goals. TQM became the key to initiating market globalization in both India and internationally. TQM definitely increases the effectiveness and efficiency of the organization. SM AL NISAR, the Director – Operations, claims that "because we implement the principles of TQM." (Alauddin & Yamada2022)

### 1.1. Definition and Principles of TQM

The principles of TQM are not specific steps an organization must define. Rather, they are general concepts. The exact steps the company will take will be unique to the organization and a matter for company managers to work out. However, the following are some four basic elements common to most Total Quality Organizations: 1) Systems; 2) Effectiveness; 3) Improvement; and 4) Involvement, all of which are necessary to achieve Total Quality Performance. (Abbas, 2020)

10. Lead time reduction: Leading-edge forecasting can significantly reduce lead time.

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9. Transparent and open communication: Open sharing of information is essential at all levels.
8. Recognition: All efforts done by the employees to achieve the company's goals should be recognized.
7. Training: All staff should be given training to the level of their jobs, managers should receive additional training to enable them to provide leadership to their teams.
6. Team Approach: All work should be done in a team approach, with the recognition that facilities and systems belong to that team.
5. Employee involvement: Every employee should be expected to be involved in quality activities, in their area of responsibility, they are committed to their own and their colleagues' success, etc.
4. Control: Production at all phases should be monitored using proper methods of quality control.
3. Continuous Improvement: A company should strive to continuously improve their products as well as strive to produce high-quality products.
2. Quality at the Source: All employees should strive to produce a higher quality product the first time so that rework will not be required.
1. Management Commitment: Management should exhibit a visible commitment to quality.

The following are some principles of TQM:

#### Principles of TQM

Total quality management is a total system approach and will lead to larger benefits than have been experienced in any existing quality management process. From the customer's perspective, quality is satisfying customers' needs by creating products or services that meet their other needs very well. Quality management is the process of assuring continuous improvement in meeting customers' needs.

The objective of TQM is meeting the needs of internal and external customers. TQM is the application of quantitative methods and human resources to improve all the processes within an organization and exceed customer needs now and in the future. It is a function of management that encompasses all activities involved in getting the product to the customer.

#### Definition

Total Quality Management (TQM) is a method by which management and employees can become involved in the continuous improvement of the production of goods and services. It is a combination of quality and management tools aimed at increasing business and reducing losses due to wasteful practices.

#### Total Quality Management

### **2. Importance of TQM in Organizations**

To this end, the necessary elements of a TQM implementation framework pertinent to training requirements such as product and process knowledge, customer orientation, information technology knowledge, reward systems, achievement orientation, leadership and team-building

are structured. This framework properly aligns TQM practices with the organizational functions, integrates external and internal service elements, includes issues related to the different service perspectives, provides a basis for different TQM intentions, specifies the sequence of TQM functions and contains few central TQM themes. In a nutshell, the outcome of this study is the presentation of a modest set of topics significant to the training of service personnel involved in TQM implementation. (AlOqlah2021)

Effective organizations always strive to improve the quality of their products or services to satisfy their customers. The expectations of many firms and industries for performance and competitiveness improvement compel them to launch numerous management programs to aid the organization in enhancing quality. These programs include advanced manufacturing technology (AMT), just in time (JIT), total quality management (TQM), value added, and ISO 9000 international standards. This paper will only cover TQM implementation in various firms across Saudi Arabia. Using the literature review approach, the authors found that TQM implementation is increasing in the organizations of Saudi Arabia. This has been found to be true in many literature papers. This paper explains the reasons and the increasing interest, the TQM benefits and barriers for the success in TQM implementation, and development of Saudi Arabian and the other countries for TQM implementation.

### **2.1. Benefits of Implementing TQM**

Over the last decade, TQM has grown in popularity as an explicit means for organizations to achieve competitive advantage. Many believe that an organization cannot expect to survive in today's highly competitive world without implementing TQM principles. Indeed, a recent Wall Street study concluded that TQM initiatives have the potential to double profit margins in ten years. These beliefs stem from the fact that companies which have implemented TQM are supposed to have experienced simultaneous improvements in a number of areas, as compared with companies which have not done so. For example, the annual quality report of the Baldrige organization, a leading U.S quality award, states that: "These companies achieve spectacular growth in sales, profitability, market share, and stock values because of their relentless drive for continuous improvements." (Mittal & Gupta2021)

This section begins by briefly discussing some of the benefits realized by companies that have implemented TQM. It is important to identify what benefits could result because it is these benefits which attract managers to invest time and funds in implementing a TQM system. It is also important to identify the benefits which have occurred to other firms, who have implemented such systems first, so that companies can carefully evaluate the transferability of these benefits to their own situation. Several of these benefits are then used to specify the value-creating hypotheses on which the research model was developed and against which it was tested.

### **3. Challenges and Barriers to Implementing TQM in Saudi Arabia**

In the TQM process, communication is no longer a simple sequence of informative communications, where the sender's thoughts are baseless "sent" to the receiver who, as a null object, passively receives them and "receives". On the contrary, both management and employees become subjects of communication, where each individual "informs" by emitting and "receives" by sending; consumer suggestions are given full and serious attention. The company communicates its image best to all internal customers and suppliers, primarily to the other employees, but also, to some extent, to the shareholders.

Abualoush and Bataineh (2012) stated that the leadership has to take the initiative in discovering the weaknesses of the institution, optimize the abilities of the employees, and change the culture of the dominant institution from the culture of resistance, enmity, and

resisting change to the culture of dispersion, distance, dialogue, cooperation, and participation. It is, therefore, necessary to find points of strength on which to base real change in the management of institutions. In order to gain the necessary effective sponsor, the nature and functions of the sponsor itself should be identified, recognizing that the sponsor himself is both an instrument of communication between the institution and its clients and an important source of energy, innovation, and intelligence for the institutional transformation process. (Sutherland et al.2020)

### **3.1. Cultural and Organizational Challenges**

The adaptation of Western management techniques to the Saudi environment has sometimes presented difficulties. In the case of TQM, it detracts from the presumption that the implementation of TQM is an organizational or administrative problem and points to other organizational and human factors, such as leadership, motivation, behavior, job design, and commitment. Total quality culture, when established, will make a contribution to product quality and worker performance. And when the positive effects of leadership are transformed into value-added quality performance, the organization will begin to see an effect on quality cost through reduced rework, scrap, markdowns, and warranty claims, with improved profits for the organization.

The cultural and organizational challenges to TQM in the Saudi public sector and industry are reflected in the definition of quality. Yet these definitions are carefully chosen to represent the responses of quality experts in Saudi Arabia. From this, it is clear that TQM is not easily implemented for Saudi manufacturing companies. In Saudi Arabia, managers do not need to be quality experts to recognize that the financial rewards available from improving quality in products and services are well worthwhile. They do have to begin to develop a quality culture in their organizations, which should be promoted by converting the concept of TQM into strong formal organizational commitment.

## **4. Case Studies of Successful TQM Implementation in Saudi Arabia**

A commonality of successful companies was that they had built top management cohesiveness, with high employee morale by involving all employees in TQM activities. The majority of staff were properly trained, and these companies shared the business vision at all employee levels. The main enablers of the TQM process in Saudi Arabia included the intermittency of the process, flexibility of the process, and an integrated business strategy. When assessing the impact of the low enablers, the respondents cited the dearth of TQM credible return or cost benefits of the TQM process, inadequate TQM cultural change, and the conglomerate nature of their business structure. Companies gave various reasons in their belief in explaining why Saudi Arabia companies were not very credible regarding the principles of TQM. (Basit et al.2024)

One of the significant studies that cover both the successful and unsuccessful cases of TQM implementation in Saudi Arabia was conducted by Al Malek and Radford. Their study is based on a questionnaire survey responses from 137 TQM sites carried out in seven construction engineering companies, and a statistical comparison of these companies. The survey results showed that only 40 percent of companies were effectively managing TQM, with the rest embarking on management initiatives without any formal TQM systems in place. Key TQM drivers were increased customer satisfaction and meeting the organization's objectives. The external environment that led them to embark on TQM included the need to improve the construction industry performance to meet the demand for construction. The survey found that only ten percent were achieving TQM model levels of performance and were eliminating waste and non-value-add activities. Their main TQM implementation barriers were business not suited to TQM, poor employee training, and the lack of a clear vision.

## 5. Recommendations for Effective Implementation of TQM in Saudi Organizations

In order to overcome the resistance and increase the willingness to accept reforms, it is crucial for the managers to focus on financing human resources and strategies that will enable employees to have the necessary skills to perform their jobs effectively and efficiently, which is indeed a part of the cultural change contemplated by TQM. At the same time, there is a need to recognize the masculinity of the culture and low-power distance-related barriers to the implementation of TQM programs in family business organizations. Cultural differences should be acknowledged by incorporating them in the management practice related to the implementation of TQM in family businesses along with low personal life quality, lack of information, negative stakeholders' perspectives, and company's size disadvantage. (Al et al.2021)

Creation and sustaining the competitive advantage for Saudi public and private organizations through the effective implementation of TQM is very complicated because it has to be handled by well-trained and self-motivated personnel. Due to personal characteristics, such as moderate risk-taking propensity and appreciating non-monetary incentives more than monetary incentives, training and motivation of Saudi employees in quality management are very crucial for the implementation of TQM. Such aspects are largely neglected in the implementation of TQM by many Saudi organizations. Moreover, other personal characteristics, such as low need for personal growth and high power distance, act as barriers to the implementation of TQM in these organizations.

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