

# TQM implementation and their impact on employee performance and synchronization in standard cost system

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## Abstract

Environment variable in the current global economy, in which there is an economic competition between firms has taken a new form. Some factors such as superior quality with reasonable price are important as an index of competition and the customers' decision to choose one product or service plays a significant role. The purpose of this study was to implement a comprehensive quality management system and its impact on staff performance in a standard cost system. Important factors play a role for survival of life support systems include quality function and staff effectiveness. Also, the role of efficient quality management, organizational objectives is undeniable. TQM can be regarded as a system of the most expensive and most valuable assets of an organization. Therefore, strong system management, good performance of employees and the organization and the enabling environment that provides empowered group of employees should work together to do the work.

**Keywords:** total quality management, employee performance, standard cost systems

## Introduction

Studies have shown that compared with the creativity and product resources (money, land, etc.), knowledge is an important source of real increase in economic performance and mostly corporate executives are forced to production methods, marketing, innovation, and ultimately increase production. Unfortunately, most people working as managers know little information about creating a culture of empowerment (Afjeh, 2001).

The employee must be able to explain about

why the organization is criticized, both from within and from outside. In terms of external competitiveness, globally rapid changes, and new demands for quality of service and resource constraints, which require quick response to the organization are important (Bayan, 2001). The employees feel that they are not dealing with the job honestly, they are disappointed and frustrated by the constantly higher expectations and will continue to change the rules of the game (Naserzadeh, 2009). At the same time, employees are seeking meaningful work, clear and more demanding, and self-seeking and greater prosperity. The manager should overcome this pressure to take up the duties. Traditional organizations and the emergence of new organizations require employees to pay more attention to the synchronization of the system (Rabbins, 2008). Traditionally, only people who need to do a certain job, are those employees need to decide, to find new solutions to problems, do creative work, and to be responsible (Schein, 2006).

## Statement of problem

From standard cost system, synchronization of employees and managers really multiply the effectiveness of their organizations, and they are more efficient (Soltani, 2005). Although for most managers, synchronization of employees need standard cost system skills and experience, but its true performance management today is rare concept that can enable organizational interests both a sense of ownership and pride in providing employees make potential and enabling it to exploit human abilities resources (Senge, 1990). Employees are empowered to deliver the benefit, which is the most vital asset of any organization and human resources (Bliss, 2009). Qualities and capabilities of human resources

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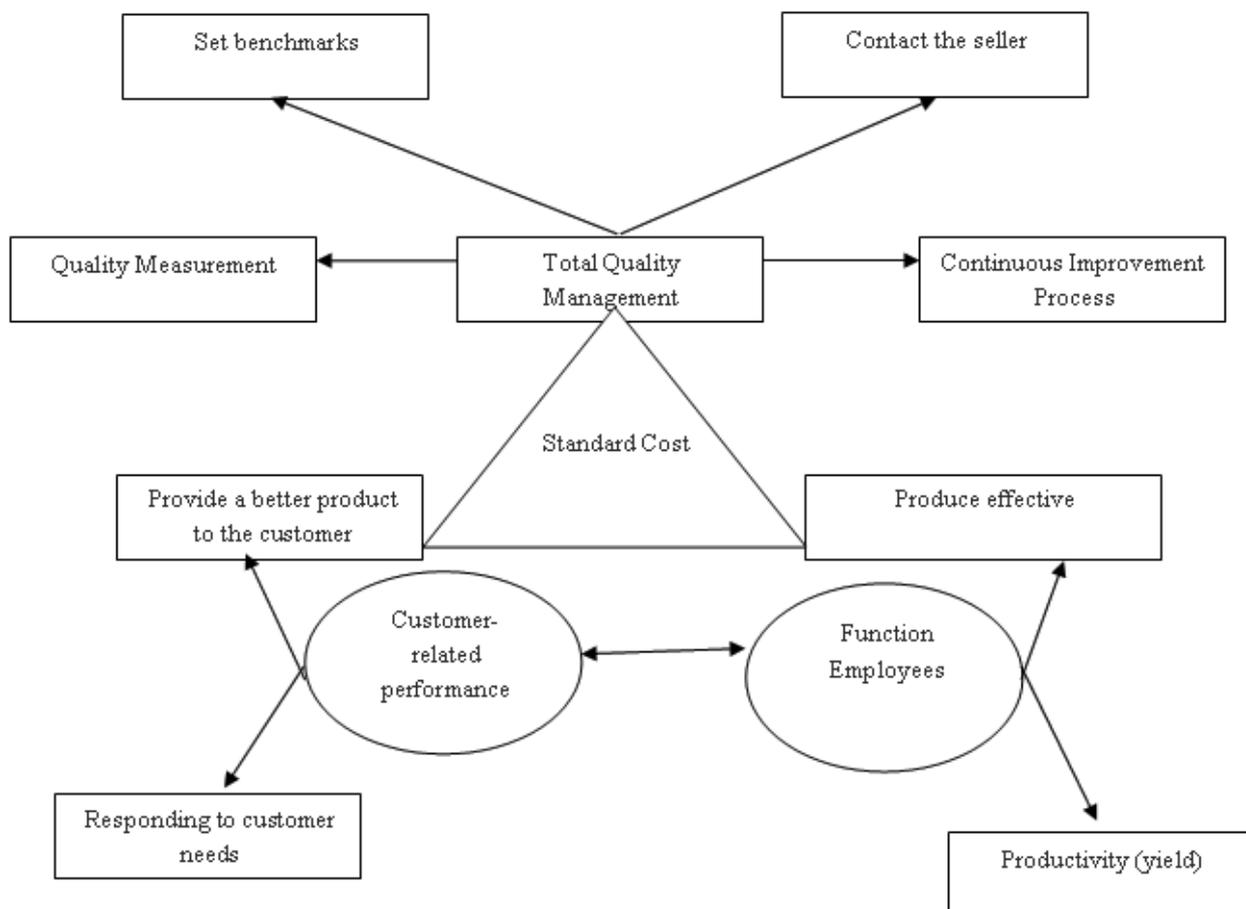
es is the most important factor in survival, life support systems (Afjeh, 2001). According to the above-mentioned issue, the objective of this research is to “implement a comprehensive quality management system impact on the system performance and tune cost of employees’ standard (Rzyny, 2003).

## Theoretical foundations

### Total Quality Management

In various studies, it is said that human beings are the most valuable resource a company can have (Babai, 2008). However, often the source of lower efficiency in comparison with other types of resources is used (Hamel, 1994). Wasting time and

energy is very high among the employees. Much of this is due to the inability in management. The performance and capabilities of employees has increased dramatically during the twentieth century, but methods for managing, organizing and using them has not changed a lot. The overall quality of management is still primarily used as a substitute for machinery. Human capital refers to the knowledge, skills, motivation in organizations. Contrary to the impression existing hundred years ago that there was a large plant and machinery, without any capable efficient manpower, economic and businesses benefit of managers has charged according to the managers of these units, resulting in little benefit (Hamel, 1994).



**Figure 1. Conceptual model of research cost associated with quality management standard (Source: authors)**

### Performance

Performance means the state or quality of work. Therefore, the overall organizational structure refers to how organizations operate. The most popular definition of performance was presented by Nelly and colleagues (2002, p.8) as the process quality, effectiveness and efficiency of explaining past ac-

tions. According to this definition, the operation is divided into two components: 1) a description of how the efficiency of resource use in the production of products or services, the relationship between the actual and desired outputs for given inputs, and 2) the effectiveness of the described the degree of organizational goals. Authorities are regarded as the

issue of critical practice and it is a very important process despite efforts have been made by authorities to evaluate staff better but they are not satisfied yet (Senge, 1990). Recognizing and rewarding employees for their motivation can enhance the performance of the empowering employees to the organization, thus contributing to the productivity and effectiveness of the rouse (Pavitt, 1990).

### *The standard cost system*

Standard cost systems, timely information, accurate and relevant organizations are used to provide manufacturing activity and provide a good platform for the implementation of TQM (Rzyny, 2003). Information prepared by the standard cost system are used to determine the selling price, and cost control, profitability analysis of each of the products, decisions about development, and equipment replacement. Outputs and data Standard cost system for 50 years has been regarded as a key and one of the element of management control systems. Standard cost system in recent years has been seriously criticized (Rezavian, 1999). Although the standards are set based on the normal conditions and restrictions of physical business, they are calculated with the total quality management approach that seeks to remove restrictions and to improve rather than achieving a limited compatible approach (Ghanbari, 2007).

### *Performance Management*

This term has a lot of definitions in performance management, including the following:

General term for organizational performance management that management and staff have dealt with job responsibilities and behavior. Performance management is a way to facilitate communication and understanding between employees and supervisors, resulting in the creation of a more favorable business environment and commitment to quality service. Environment for optimum use of all resources is to create organizational goals (Ghanbari, 2007). The performance evaluation of the performance management process, which is both as systems of disciplinary and grievance policies and management tools are included in the management techniques and tools to enhance employee productivity and gain competitive advantage of organizations (Schroeder, 1991).

### *Synchronization*

Various definitions of the word “synchroniza-

tion”, by researchers and scholars are presented as follows:

- Coordinating in knowing the value of people and shares that can do things.
- Coordinating the manpower needed to build capacity of staff to enable them to add value to the organization and the roles and responsibilities of both organizations are responsible and effectiveness performance.
- Synchronization is design and making control of organization, and they are also prepared to accept additional responsibilities.
- Development of synchronization is the ability to reach people competence and continuous improvement of performance.
- Harmonization of the concept of organizational culture change of courage and guidance in creating an organizational environment (Bayan, 2001).

Synchronization is more complex than it seems on the surface. The analysis of the studies conducted by some scholars indicated that empowerment, intrinsic motivation, takes up the four dimensional psychological help:

- 1- Meaning the value of a business based on your own ideas or standards.
- 2- Competency or self -efficacy, or the belief that a person can perform his duties.
- 3- Autonomy: A person who feels that he can do his or her duty
- 4- Impact on business results to the amount that a person can work on important outcomes (Haffman, 2007).

### *Coordinating staff and its impact on the standard cost system*

Coordination makes people feel that without wasting resources managers and organizations, they can achieve their goals. Without making coordination, managers and companies cannot be successful in the long run in the world of daily business and any organization that fails to get faster, and acquire higher quality will be removed from our global competitors in a competitive field. Successful organizations are able to operate the full capacity of the human to take advantage (Sadeghpour, 1991). Some important elements should be developed to accomplish this task. Benefits of employees in service organizations synchronization are described as follows:

- A) to coordinate the needs of our customers while providing quick and timely responses.

B) capable of returning to dissatisfied customers during service and quick and timely responses .

C) Enabling employees to communicate with customers.

D) Staff service coordinator can be a great source of ideas (Senge, 1990)

From the foundation of the decision-making process based on capacity, we can say that the interest rate synchronization between employees in organizations and researchers is not without reason. Kanger and Kanagy (1988) state the following reasons for harmonization:

A) Studies indicate that management skills subordinates synchronization is an important component of effective organizational management.

B) Analysis of power and control in these organizations suggests that employees share in power and control, and increase organizational effectiveness

C) Experience of groups of workers implies an important role in the harmonization of strategies and conservation groups (Holy, 2005).

## Background research

Some research has been done on empowerment. The followings are some examples:

Mohammadi (2007), in a study entitled "Evaluation of staff empowerment ways in Birjand University", has announced that job enrichment, delegation, performance-based bonuses, collaborative management, and establishment of work teams are considered as a means of empowerment.

Ghanbari (2010), in another study entitled "factors affecting the performance of the employees in the company's standard cost system operation and water distribution in Golestan province concluded that the factors of employees training, delegation of authority to employees, job enrichment and individual inner motivation, the amount of potential claims are related to participative management staff.

Bayani (2003) evaluated the impact of employee empowerment on performance improvement company and concluded that an authority to subordinates in the province plays a significant role in improve the impact of their practice.

Hossein Kashani (2009) did another research as empowerment level of women empowerment identify obstacles hindering the administration Telecommunication Company of Iran. He concluded that four factors were identified as obstacle hindering

empowerment including the attitude of staff management, staff, poor communication, lack of access to information and poor integration of quality performance management.

Hor Abadi Farahani (2004), examined the link between organizational structure and employee empowerment in Tehran and suggested that organizational structure, recognition of the size, concentration and complexity are associated with empowerment.

Mazid Abadi Farahani (2003), in a study of the impact of information technology Brtvanmndsazy social organization of Qom, first analyzed the application of information technology to ensure the application of the job and its effects on empowerment.

Fox (1998) in a study entitled "Empowerment of using a master apprentice" staff will hold open-ended questions. In their conclusion, after examining the response of the staff, all managers have acknowledged that service training as enhancing and expanding the use of different types of employee skills is a must.

Morris (1996), based on the Evaluation of In-Service Education Empowerment "concluded that lining of the staff who have not attended in-service training is less than from those who have participated in this course.

Vaio and shrt (1996) allied to the relationship between psychological empowerment of teachers' job commitment realized that the components of psychological empowerment and professional growth are related.

## Methodology

The purpose of this study is TQM implementation and their impact on the system performance and tune employees as the cost of a standard. Basic concepts relevant to this study (total quality management system, standard cost, practice) were described (Pavitt, 1990). This study used a descriptive and documentary sources, libraries, the Internet, and was also held meetings to review and sum collecting existing information on the topic have been discussed.

## Findings

For empowering employees, managers, in addition to creating an attractive and lively work environment and clear goals they hold periodic meet-

ings, to increase a sense of empowerment among the employees. Managers can keep the speeches and happy attractive investment climate and on certain principles such as clear goals and objectives, management, concessions and feedback, which are excited to contribute to employee empowerment.

## Results

Today, organizations are faced with different challenges and to overcome these challenges, they require a comprehensive quality management and the standard cost of employee performance in an organization is essential. In general, it can be said that TQM is regarded as a necessity in today's organizations, due to its important role in the development of an organization. Coordination causes people to feel fast without wasting resources managers to achieve their goals. Leadership is the most important factor because the Personnel Director is to coordinate all direct and indirect environmental factors that affect the organization. To enhance their personal performance in an organization, the first stage is to increase employee motivation to work and then apply for job enrichment. There are some standards such as the managers with delegation of more power to employees, Motivating staff, ongoing training, giving them the independence to act, providing collaboration and teamwork of his role in coordinating the implementation of total quality management staff in price.

## Suggestions

- Strengthening the synchronization process is the effectiveness that should be done by experts in the field.

- Actively participation in the competition and the creation of new jobs and the necessary technology and skills in coordinating employees will be inevitable. In the field of quality management, some factors can play a significant role such as the synchronization program, delegating work capacity, increasing responsibility, autonomy, the agility of the organization, and reducing stress.

- Identifying the objectives, powers, responsibilities, career, career technical building, losing morale and motivation, trust, commitment, devotion, appreciation and participation, communication and workplace skills and gaining information can have positive effects on a standard cost system.

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