The Effect of Total Quality Management on Innovation Performance with Mediator Role of Organizational Learning (Case Study: ABBAND Mazandaran)

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ABSTRACT

The main objective of this study was to evaluate the effect of Total Quality Management (TQM) on innovation performance with the mediator role of organizational learning in ABBAND Mazandaran manufacturing and industrial Company. The research design was descriptive and correlation and specifically is based on structural equation model. The study population was all supervisors and employees of ABBAND Mazandaran manufacturing and industrial Company. For measuring variables of research, three questionnaires were used based on the Likert 5 options range and the questionnaires were distributed among 220 supervisors and employees of ABBAND Mazandaran Company. Content validity of the three questionnaires was carried out by a number of experts and management professionals and the reliability of TQM, Learning Organization and innovation performance questionnaires was determined by Cronbach’s alpha coefficient as 0.96, 0.82, and 0.94, respectively. The results showed that there is a causal relationship between TQM, learning organization and innovation performance. Also, organizational learning mediates the effect of TQM on innovation performance.

Keywords: ABBAND Mazandaran, Innovation Performance, Organizational Learning, Total Quality Management

1. INTRODUCTION

Many researchers have shown that the strategy of TQM is an extremely powerful tool for the development of organizational learning and it increases the competitive profit (Hendricks & Singhal, 2001; Martinez-Costa & Jimenez-Jimenez, 2008). Today’s competitive market needs innovative technological improvements and the short life cycle of products constantly challenges the competitive profit (Prajogo & Sohal, 2001). DOI: 10.4018/ijkbo.2014100104
According to researchers, learning ability can stimulate organizational innovation and preserve the competitive profit in today’s turbulent environment. Learning reinforces innovative activities and quality is one of the main characteristics of success in today’s competitive environment. As a result, organizations can sustain in today’s competitive environment by the continuous production of goods and the continuous management of their quality (Martinez-Costa & Jimenez-Jimenez, 2009). Therefore, quality and learning are effective factors that guarantee the success and improvement of each and every industrial and service system. Also the comprehensive nature of both factors shows the necessity to manage them properly (Nadi & Damady, 2009).

In the current era, massive changes are forming that direct service systems toward further engineering (Wong & Chin, 2006). According to Salaman & Bulter, for an appropriate change, organizations should be capable of analyzing themselves and their processes, structure, and environment. They should also be able to recognize practical and effective solutions and to represent them, which mean organizations should be capable of learning. Without such an analytical capability, organizations cannot make a right choice regarding the structure, process, culture, and product and they will fail (Nadi & Damady, 2009). Therefore, effective and proper management can provoke an organization to be more flexible, innovative, and intelligent. By considering the aforementioned matters, the main questions of the current study are: whether total quality can affect innovation performance and whether organizational learning plays a mediatery role regarding the TQM and innovation performance. In order to answer these questions, ABBAND Mazandaran manufacturing and industrial company was chosen and investigated since no study has been carried out so far.

2. THEORETICAL FRAMEWORK

2.1. Total Quality Management

TQM is accepted as a management paradigm in many organizations worldwide. Quality movements begin by the quality improvement project in production sections of almost all the countries. Finally, TQM was used in service section and then in nonprofit organizations. The concept of quality management has found pivotal importance in organizations and institutions and has turned into a modern management approach in the current era. Also the determination of a structure which is adjusted with environmental necessities is of high importance. Therefore, the introduction of the concept of quality to the main framework of the structure designation of an organization is what really matters (Prajogo & Sohal, 2006). Researchers has suggested numerous definitions for TQM, for example Antony suggested that TQM causes an increase in the participation of staff, improvement of connections, production increase, quality improvement, the reduction of redoing things, the increase of customers’ satisfaction, the reduction of poor quality expenses, and the improvement of competitive benefit (Antony, 2002). TQM is a management philosophy that considers company’s joint needs and goals inseparable. It is used in business, industry and services. It guarantees maximum effectiveness and performance and strengthens business leadership through the enforcement of authority in processes and systems. It also causes an increase in performance and error prevention and ensures the organization that all of its goals are parallel to meeting the customers’ needs (Peterson, 2008). TQM point to a subject and process of management that guarantees the required coordination for the observation of customers’ needs (kelada, 2008). Various researchers provided different definitions for TQM in order to study its effect on the quality of organization’s products and other non-financial results. Prajogo & Sohal used the following six factors for the investiga-
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