

Investigating the Relationship between Downsizing and Total Quality Management

Alan BROWN, Ton van der WIELE

Edith Cowan University, Churchlands, Australia; Erasmus University, Rotterdam, The Netherlands

Abstract

While the management literature shows considerable attention given to the restructuring fads and fashions of this era, relatively little attention has been paid to investigating the relationship between downsizing and TQM. Many organizations are going through periods of downsizing, rightsizing re-engineering, restructuring

or other types of reorganization with the ultimate goal of reducing staff numbers, developing a leaner organization and reducing costs.

At the same time, many of these organizations have already invested or are investing in continuous improvement activities and adopting the principles of total quality management (TQM). Many are using the quality award models as they strive for business excellence.

What happens to quality in periods of downsizing? Can quality programmes survive when quality departments are completely removed, team members are displaced and the situation for many employees who remain becomes insecure? Can TQM assist in the restructuring process?

This paper addresses some of these issues. Several large public sector organizations and one private sector organization in the state of Western Australia were investigated. All had been examined as part of an Australian survey on quality management self-assessment practices.

The organizations were reexamined later, using similar research techniques.

All had undergone substantial restructuring involving workforce reductions, the removal of entire divisions, outsourcing, corporatization and two had new CEOs assume office.

Keywords: Quality, Total Quality Management, Quality Award Models, Quality Program, Downsizing, Re-engineering, Large organizations

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