TQM implementation in a public sector entity in Fiji: Public sector reform, commercialisation and institutionalisation

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TQM implementation in a public sector entity in Fiji
Public sector reform, commercialization, and institutionalism

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Abstract In recent years, many companies have adopted the total quality management (TQM) philosophy for achieving organizational excellence. The paper reports on the findings of a case study concerned with appraising TQM practices in the Housing Authority of Fiji (HA). The HA has been set up to provide affordable shelter and mortgage finance for low and middle-income earners in Fiji. Data collected suggest that following the global trend, as well as being consistent with the government’s recent public sector reform policy, TQM systems at the HA made the organization more effective and efficient. The organization was preparing itself to be corporatized. The case study reinforces previous claims that suggest that an organization may adopt a TQM strategy to promote both “institutional” and “quality” cultures.

Introduction
The past decade has seen many firms adopt a TQM[1] strategy as a way of improving profits, market share and competitiveness (Fowler, 1996; Johnson, 1994; Powell, 1995; Shank and Govindarajan, 1994; Maloney and Stower, 1999). TQM in this study is seen as a philosophy involving everyone in the organization in achieving superior results so that each organizational member takes pride in maximizing his/her contribution to customer satisfaction and wellbeing of the organization (see Chenhall, 1997; Shank and Govindarajan, 1994; Hoque and Alam, 1999). The adoption of TQM includes participation of all members in the organization in the drive for continuous improvement, elimination of waste and a focus on customers. Some suggest that TQM may be viewed as a program to change an organization’s corporate culture (e.g. Lord, 1998; Wilkinson and Witcher, 1993). The TQM literature suggests that all the members in the organization have to work as a team to strive for the common goal of the organization. They need to realize how important each one of them is for the organization (Powell, 1995).

TQM literature also highlights the importance of top management involvement as a change agent in the introduction and establishment of TQM in their organization (e.g. Oakland, 1989, 1993; Oakland and Sohal, 1996;
Fowler, 1996; Lal, 1990; Wilkinson and Witcher, 1993; Powell, 1995; Maloney and Stower, 1999). Oakland (1989, 1993) argues that a way to accomplish TQM is to issue a total quality message that clearly states top management’s commitment to TQM and outlines the role everyone must play. According to him, this will enable workers to take the concept seriously since it originates from the top, which shows the seriousness of the top management in implementing the concept.

While TQM originated in private sector organizations, there is also a growing body of literature that suggests its principles are and have been adopted by many public sector bodies (see Redman et al., 1995; Hammons and Maddux, 1990; Flood, 1992; Bennington and Cummane, 1997; Erridge et al., 1998). Hammons and Maddux (1990) report TQM as the solution to many and varied complex problems in the public sector. TQM is also seen as a solution to making higher education more relevant to the needs of society (Flood, 1992; Redman et al., 1995). Bennington and Cummane (1997) note that the road to commercialization has seen many government departments turning to TQM. They illustrate this with their case study of Asset Services. Erridge et al. (1998) share this view, that quality initiatives were linked to the commercialization of public services.

The public sector reform policy in Fiji is expected to increase economic efficiency and reduce the burden that the public enterprise sector places on the taxpayer. The reform program has been the state’s far-reaching economic initiative, which aimed to transform the performance of the public enterprises. The rationale behind the reform was that many costly and loss-making organizations when reorganized and commercially focussed will be in a position to give government and the people of Fiji a better reward for the public funds invested in them.

The reform program in the Fiji public sector was also initiated as a result of satisfying international obligations. The international development agency, such as the World Bank, International Monetary Fund (IMF) and Asian Development Bank (ADB), has been increasingly called on to provide technical assistance of various kinds to its less developed member countries such as Fiji. The state usually seeks assistance from these institutions when organizations are plagued by institutional, operational and financial problems (ADB, 1989). With technical assistance inputs from the banks, the various problems of public organizations on government request are made and recommendations are also suggested. The World Bank finances development projects once these suggestions have been implemented. Consequently, the World Bank consultants recommended the restructuring of the Fiji public sector.

To date, scant attention has been paid to address reasons empirically for TQM adoption in a developing country public sector context, and in the Fiji public sector context in particular. The focus of this paper is to address this apparent gap. In order to achieve this aim, the paper documents the incidence of TQM adoption in a state-owned housing institution in Fiji – the Housing Authority (HA). TQM adoption in this study reflects the reasons for the initial
decision to start a TQM program. The paper aims to obtain an accurate picture of the implementation and the results as a consequence of TQM adoption between 1992 and 2000 in the subject organization. In doing so, it also seeks to utilize Fiji Quality Award[2] as a framework for TQM. This is used as a basis for self-audit and review, and promotes an understanding of the requirement for quality excellence.

This study represents an exploratory case study, which is intended to explore reasons for TQM adoption in the subject organization. Such an endeavor can open a new path of research, which may improve our understanding of the factors that influence the adoption of TQM in government owned organizations.

The following section outlines the theoretical basis of this study. Next, we discuss the study’s research method applied. Subsequent sections present the research findings, a discussion of the findings and conclusions.

**Theoretical basis**

Many organizations have moved towards a TQM path in their quest for quality (Hoque and Alam, 1999). There is growing literature on TQM, suggesting that organizations that pursue TQM have better productivity, greater market share and improved profitability and efficiency (e.g. Oakland, 1989, 1993; Oakland and Sohal, 1996; Johnson, 1994; Powell, 1995; Maloney and Stower, 1999; Hoque and Alam, 1999). However, writers like Zbaracki (1998) note that TQM may provide an organization with few technical benefits, but the claim to use TQM confers legitimacy on the organization. Ezzamel (1994) has also identified costs and obstacles to TQM implementation. Ezzamel (1994) emphasizes that there is possibility for management to overemphasize use of detailed written rules and procedures, which separate the individual from their work. Such were also the arguments put forward by Brah *et al.*, (2000). Brah *et al.* (2000) argue that TQM entails excessive retraining costs, demands unrealistic employee commitment levels, increases paperwork and formality, and emphasizes process over results. This paper, however, argues that organizations adopt management techniques such as TQM not only for technical reasons (Ansari and Euske, 1987), but to become isomorphic with institutional norm (DiMaggio and Powell, 1983).

Institutional theorists suggest that an organization’s survival requires it to conform to societal norms of acceptable practice to achieve high levels of productive efficiency and effectiveness (Covaleski *et al.*, 1993; DiMaggio and Powell, 1983; Rowan, 1982; Meyer and Rowan, 1977; Goodeham *et al.*, 1999). These authors suggest that organizations deal with their environments at the boundaries and imitate their structures. Further, they argue that the dependence on externally fixed institutions reduces turbulence and maintains stability. As a result, according to institutional theory perspective, institutional isomorphism increases the success and survival of organizations. The incorporation of institutionalized elements prevents the organization from having its conduct questioned. Thus, institutional theory in this study helps
assess significant institutional factors such as state, customer expectations, and professional association influencing the adoption of TQM at the HA.

TQM is said to gain institutional value over time because it becomes the accepted way of doing things (see Zbaracki, 1998). It is argued that managers will use the concept to gain legitimacy (see Meyer and Rowan, 1977). Meyer and Rowan (1977) further note that the institutional view offers an insight that the adoption of the concept may simply be myth and ceremony.

Hoque and Alam’s (1999) findings revealed the institutionalized roles of TQM in a New Zealand construction company, DTL. Their results suggest that organizations initiate TQM practices to promote institutional and quality culture. They identified significant external institutional factors such as market pressures, competition, customer expectations, and professional associations influencing the adoption of TQM (Hoque and Alam, 1999).

The lessons that those companies with most success in TQM have learned can be summarized as follows:

- TQM is hard work;
- TQM needs to be driven by the strategy through the whole business;
- top and middle management commitment is vital;
- there is institutionalism within TQM practices (Oakland, 1989, 1993; Powell, 1995; Hoque and Alam, 1999).

Such lessons are also applicable to the HA, as will be seen in the later sections of the paper.

Institutional theory in this study can be argued to have captured significant external institutional factors such as customer expectations, the state’s reform policies, Pacific Asia Quality Foundation (PAQF) and public perceptions as influencing TQM adoption at HA.

On the other hand, the technical-rational model, a view from the discipline of economics, emphasizes optimal resource allocation (see Hoque and Hopper, 1994; Ansari and Euske, 1987; Ansari and Bell, 1991). Three essential ideas characterize the technical-rational view. First, that organizational survival requires the development of internal structures which best meet the needs of the organization’s environment. Second, economic efficiency is emphasized. Third, there needs to be economic rationality (see Ansari and Bell, 1991). This is essentially where the behavior in organizations is purposeful, self-interested and driven by a calculus of the most efficient means to accomplish given ends. Implementation of TQM facilitates achievement of economic efficiency and survival of organizations. Ansari and Euske (1987) share this view that only those organizations which are more efficient are able to survive by ensuring a continued supply of resources. The technical-rational model at HA asserts efficiency in its operations through implementation of TQM, which in turn is customer focused.
Research method

Research strategy and data
Given the study’s theoretical focus, essentially this is a naturalistic study that uses the case study strategy (Yin, 1981, 1988). It seeks to document the incidence of TQM adoption in the subject organization. This was adopted from 1992 onwards in the organization.

The data were collected over a one-and-a-half year period between 1999 and 2000. Two techniques for data collection were utilized in this study. These included semi-structured interviews with 19 employees at different hierarchical levels and a systematic study of documentary material on the institution’s TQM and other TQM-related issues. Of the 19 interviewed, 15 employees were with HA when TQM was initiated in 1992 (see Table I). The others joined later, but are well acquainted with the concept. Most questions, while interviewing, were asked in an open-ended manner to help interviewees to respond in their own ways.

The interview proceedings were tape-recorded and back-up notes were made. The tapes were transcribed soon after the interview, and a selection of the interview transcripts was fed back to the participants to obtain a clear understanding of the issues involved.

The study took place at the HA in Valelevu, Nasinu. Visits were also made to the HA’s branch office in Lautoka to provide an additional source of data. Documentary evidence was also obtained from the HA. The 19 staff who were

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Were they with HA when TQM was initially implemented?</th>
<th>Number of years of work experience at HA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief executive</td>
<td>No</td>
<td>5</td>
</tr>
<tr>
<td>Land acquisition officer</td>
<td>Yes</td>
<td>18</td>
</tr>
<tr>
<td>Manager collection, western</td>
<td>Yes</td>
<td>15</td>
</tr>
<tr>
<td>Manager – legal services</td>
<td>Yes</td>
<td>28</td>
</tr>
<tr>
<td>General manager – financial services</td>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>Manager – lending</td>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>Manager – human resources</td>
<td>Yes</td>
<td>15</td>
</tr>
<tr>
<td>Manager – finance and planning</td>
<td>Yes</td>
<td>15</td>
</tr>
<tr>
<td>Manager – collection</td>
<td>Yes</td>
<td>19</td>
</tr>
<tr>
<td>Arrears team leader</td>
<td>Yes</td>
<td>20</td>
</tr>
<tr>
<td>Administration officer</td>
<td>No</td>
<td>5</td>
</tr>
<tr>
<td>Senior accounts clerk – western</td>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>Treasury accountant</td>
<td>Yes</td>
<td>15</td>
</tr>
<tr>
<td>Public relations officer</td>
<td>Yes</td>
<td>20</td>
</tr>
<tr>
<td>Personal/training officer</td>
<td>No</td>
<td>5</td>
</tr>
<tr>
<td>Budget accountant</td>
<td>Yes</td>
<td>13</td>
</tr>
<tr>
<td>Accounts clerk – western</td>
<td>No</td>
<td>5</td>
</tr>
<tr>
<td>Assistant accountant</td>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>Clerical officer</td>
<td>Yes</td>
<td>13</td>
</tr>
</tbody>
</table>

Table I. Interviewees at HA
interviewed included the chief executive, land acquisition officer, manager collection – western, manager – legal services, general manager – financial services, manager – lending, manager – human resources, manager – finance and planning, manager – collection, arrears team leader, administration officer, senior accounts clerk, treasury accountant, public relations officer, accounts clerk – western, personnel/training officer, budget accountant, clerical officer and assistant accountant. They were interviewed because they agreed to participate in the study, and as discussed previously, 15 of them were with the organization when the TQM eventuated. Table I summarizes the years of job experience of the interviewees with HA.

Interviewees at the organization were quite cooperative and interested in the research. They willingly talked about TQM implementation in the organization. The interviews took place in an informal surrounding and if interviewees were interested in a particular area they were motivated to elaborate on them. If they appeared uninterested in a question, this was then dropped.

The topic selected for interview included background of TQM at the site, the driving forces behind TQM, benefits and resistance to the concept in the subject organization. These topics enabled fulfillment of the theme of the study-rationale for the adoption of TQM. Interviews averaged 60 minutes and ranged from 45 minutes to 90 minutes. The interviewees were told that the purpose of interview was for academic research in fulfillment of a postgraduate qualification and future scholarly work such as research publications. They were told that their names would not be released, while the results would be published.

A variety of approaches were employed to check the validity and reliability of the evidence collected. These included cross-checking and referencing similar points with other interviewees, getting feedback from participants and checking out rival explanations (see Hoque and Hopper, 1994; Zbaracki, 1998).

Information was also obtained from a variety of other sources. Some of the interviewed employees provided and showed the materials they had used in their TQM program. A variety of internal publications and documents that were provided indicated the specific elements of TQM used in the organization. In certain instances, confidentiality prevented the members from releasing some documents, however, because a chance was given to view the document during interview, it provided a sense of how organizational members used the documents.

Thus, the findings reported in the paper come from the interviewees and personal observations as well. Statistical control tools, an essential aspect of TQM, were seen in one of the visits employed by quality team members.

**Background to the case study**
The HA was established under the Housing Act of 1955 as a statutory body to provide “housing accommodation for workers in the city of Suva, Lautoka and in any prescribed area” (HA, n.d., p. II-i). It was the growing urbanization in the
early 1950s together with increasing concern for poor housing conditions, especially for low income earners, that gave rise to the establishment of the HA. The Housing Act of 1955 had two important provisions to enable workers to:

1. lease dwelling houses and/or;
2. purchase dwelling houses at a cost commensurate with their incomes.

These two considerations meant that the HA is expected to be economically viable, and welfare oriented.

For some low-income earners, however, the HA houses were still unaffordable. Recognizing the problem of affordability in acquiring houses, the rented housing program began in 1964 offering temporary accommodation for workers unable to purchase houses. The production of serviced sites began in 1971. By the end of 1987, the HA had produced about 8,300 serviced sites and 1,800 rental flats and homes, and provided finance for some 7,000 mortgages (ADB, 1989).

The HA is responsible to the Ministry of Housing and Urban Development. The organization is managed by a chief executive who reports to a board comprising a chairman and five other members appointed by the Minister of Housing and Urban Development (HA, n.d.). The HA policy statement and the Housing Act do not require the HA to be a profit-making institution. The emphasis is on providing affordable shelter for low income groups. It employs 151 staff, which includes permanent staff, expatriates, wage earners, temporary as well as those on contract.

Housing is a necessity, but because of financial constraints, the ability to purchase one’s own home is often limited to the financially privileged. The lower income earners are normally neglected and the struggle for accommodation has led to housing problems. The HA has been set up to address such problems as reported in its annual report as:

That our purpose is to provide shelter for middle to low income workers and to keep searching for better and more affordable ways to serve their housing needs (HA, 1996, p. 2).

The HA faced financial difficulties prior to the adoption of TQM. Thus commercial goals were sought in line with public sector reform policy of the state. These commercial goals were to make the HA self-sustaining. The implementation of TQM had made the organization healthy overtime. This is discussed later in the paper.

**Results and outcome**

*Adopting the TQM philosophy and driving forces*

Several actors, internal and external, played key roles in the implementation of TQM practices at the HA. The HA had to be run on a commercial basis in line with the corporatisation plan of the government. The corporatisation plan entails reform with the ultimate aim being privatization. This has been largely due to the financial crisis facing the government (Nandan, 1999). Raising enterprise efficiency, opening the economy to domestic and international
competition, breaking up monopolies are core measures taken by government as part of corporatisation (Nandan, 1999). The World Bank and the ADB also recognized the seriousness of the HA’s financial situation. The organization had to be run on a financially viable basis, and the TQM was expected to promote this.

Pacific Asia Quality Foundation and consultants
In 1992, the HA invited two consultants to initiate the implementation of a TQM process. These consultants were hired by the PAQF. One of these consultants was from the Hawaii Pacific University and the other one was from the University of South Carolina. The PAQF is a professional organization, which promotes TQM in organizations. The HA is a member of this organization.

The PAQF is a commercial organization which puts resources together to hire consultants to train its members. From time to time, it hosts quality forums. The PAQF also conducts quality management courses in Fiji. The courses on quality management are usually two to three days in length and are applicable to various senior and middle management levels.

PAQF enhances the development and implementation of continuous improvement in cultures within organizations. With the assistance from Hawaii Pacific University, it also offered credentials in quality management to the HA’s executives, which some managers have completed without travelling abroad. One of the managers maintained:

We are members of the PAQF together with Colonial, FEA, Telecom, RBF and others. We were one of the many organizations to join PAQF.

At least the Telecom, Colonial and the Reserve Bank of Fiji were members of PAQF, prior to the HA. These organizations were successful in terms of customer satisfaction and profitability. Consequently, the HA became a member in order to adopt TQM principles as well. The PAQF indirectly influenced the HA to introduce the formal quality system. It can be argued that the HA adopted the TQM by imitation and copying from other larger public sector organizations like the Telecom Fiji to increase its external legitimacy. This is in line with the suggestions put forward by institutional theory perspective (Meyer and Rowan, 1977).

The staff of the HA were initially exposed to TQM seminars through the consultants. Training sessions usually took place for some six hours per week at the HA centers in Suva, Lautoka and Labasa. Every employee attended the TQM training class given by consultants, which was aimed at having a positive effect, in that no employee would feel excluded from the process. The team leaders were also part of these training sessions and were trained to act in that capacity. After the departure of consultants in 1994, the HA staff had to carry on from there in implementing the concept. These seminars fitted well with HA’s organizational change program as it was moving away from its initial welfare orientation to that of commercialization. This was so as the state
was removing its subsidies and grants to HA, and in accordance with its public sector reform policy expected HA to be self-sustaining and profitable. Thus, HA faced no difficulty in adopting TQM as it facilitated the organization to be more customer focussed, self-sustaining and profitable over time.

The team facilitator of the quality team in each division was a manager/supervisor from a different division. This was initiated in 1992. As discussed previously, the facilitator and team leaders were trained by PAQF and were also encouraged to undertake quality management courses from Hawaai Pacific University. Most have completed these courses. There were altogether 14 divisions at HA. These included public relations, human resources, management information system, planning and development, budget, treasury, costing, collection, legal, sales, property systems, customer services, registry and lending. The quality teams operated according to their specific functional areas. For instance, in the human resource division, the finance manager or other senior management other than human resources section will act as the team facilitator. The team leader will be the representative of another functional area other than the one in which a problem exists. This is to ensure that bias and fear are removed, and that everyone will participate freely in the discussion as their superiors will not be present. The team leader will see that everyone cooperates together to reach a solution to the existing problem. There were 14 facilitators, altogether, with the steering committee at the top, comprising the chief executive, four directors, two representatives from staff unions and the corporate planner. The four directors included the director, finance; director, marketing; director planning and development; and director corporate finance. The steering committee also comprised the president and secretary of the staff union. The corporate planner acted as a secretary of the steering committee. As discussed previously, the TQM process in the organization started in 1992.

The various quality teams have been chosen by the steering committee along with the managers of human resources section. The teams were expected to improve communication, understanding and problem solving, and have commitment towards the proposed solutions (see Sharma, 2000). The solutions once implemented will bring about improvement in the organization. The quality teams were initially given thorough training in the 11 steps to problem solving by PAQF as follows (Total Quality management Site Allocation Team 1994, pp. 1-12:

(1) Step 1 – identify the problem.
(2) Step 2 – identify and analyze the consequences.
(3) Step 3 – identify the underlying causes.
(4) Step 4 – data/assignment.
(5) Step 5 – data collection.
(6) Step 6 – data evaluation and analysis.
(7) Step 7 – possible solutions.
(8) Step 8 – solution analysis.
(9) Step 9 – cost/benefit analysis.
(10) Step 10 – action plan.
(11) Step 11 – measurement/follow up.

One of the problems that HA faced, for instance, was in its Loan and Sales Department of unavailability of transport. The quality team within that division identifies this. This team comprises a facilitator from Costing Division; a leader from the Customer Division, secretary from Property System Division and other members of the team comprises six Land Sales Division staff.

Thus, in solving the problem, the first step entails the identification of the problem. This is the unavailability of transport, which leads to late approval of loans. The second step identifies and analyses the consequences of the problem. This is seen as affecting employee and customer satisfaction. The customer and employees are both frustrated and it is anticipated that HA would lose business as a result of this. The problem also affects operational effectiveness in that targets are not being met. The third step identifies the causes of the problem, which has been identified as accidents, puncture of tyres, vehicle sent for maintenance, and also the distance taken to drop and pick up clients. The fourth step analyses the data in terms of the frequency of the problem, which has been found to be occurring on an average eight times per day. The fifth step entails data collection. The data are collected via vehicle numbers, in terms of the number of times the vehicle has been taken during the day, with usage duration. The sixth step carries out the data evaluation by utilizing bar graphs and pie charts, and found that two of the four vehicles are used by entire marketing division. Thus it becomes the responsibility of those departments utilizing and sharing marketing divisions vehicles to demonstrate if they are satisfied with the current arrangements. The seventh step identifies the possible solutions, which has been identified as the need to purchase extra vehicles. The eighth step involves solution analysis, which involves prioritizing possible solutions. Cost benefit analysis is carried out next. The subsequent step is that of action plan, that is, the action to be taken in order to solve the problem. The last step is that of measurement/follow up, that is, the ideal solution that HA would have once the problem is solved. The solving of the problem is expected to boost the sales target. Similar steps are followed for other work-related problem at HA.

Top executive commitment
A top executive decision to commit fully to a quality program is one of the key factors of the adoption of TQM (Powell, 1995). At the HA the top management was behind the implementation of TQM in order to enhance the improvement of the organization. In fact, the previous chief executive, Isikeli Kini, came up with the TQM idea in 1992. One of the managers remarked:
The idea came from the top, from the previous chief executive. He must have read a lot of books on TQM. It was a top-down thing, not from the middle management. It concerned four directors at that time to implement the system.

The chief executive also traveled to New Zealand and Australia, and had visited some successful companies there carrying out TQM concept. Also some leading organizations in Fiji like the Colonial, Telecom and the Reserve Bank were adopting it, and were successful. These organizations were operating on a commercial basis. Consequently, he borrowed the idea and applied it in the HA’s context. The top management of the HA argued that the long-term survival of an organization was dependent on factors like quality, customer satisfaction and operational efficiency. The HA was able to deliver its products on a timely basis to the customers. This facilitated customer satisfaction. Hoque and Alam (1999) on a New Zealand case study of TQM had similar sentiments. Gaining the approval from the chief executive and obtaining his/her commitment is the first step towards the successful implementation of TQM in any organization (Laszlo, 1999). The top-down approach in implementing TQM at HA enhanced commitment amongst employees. There was a growing commitment from the top chief executive and his steering committee on TQM. Consequently, the employees embraced the TQM idea. To this end, Thaman (1999) notes that Fiji society is socially stratified and people have been socialized to respect persons because of their social ranks. As a result, the chief executive and managers of HA are generally regarded as people with authority. Many employees would not express disagreement with his/her superiors because they have been brought up to believe that such behavior is inappropriate. Thus, conformity to social norms is essential and deviant behavior is frowned on. Achary (1998) endorses Thaman (1999) in that Fijian culture is one of silence, that is, the people, will normally not speak up against their superiors and chiefs but readily accept their wishes. Their behavior, otherwise, will be considered to be disrespectful. The Indo-Fijians, who are a minority population in Fiji, also have similar beliefs.

**Government public sector reform policy**

As mentioned above, the government’s public sector reform policy was also one of the forces behind the introduction of TQM at HA. The HA (1993, p. 10) annual report notes:

> With major change requirements due to its commercial orientation and that, in order to maximize its service to customers and target groups, it became necessary for all employees to be part of the change process.

The corporatisation of the HA would mean removal of government subsidies and, consequently, a reduction in government expenditure. However, one manager put it differently:

> The TQM philosophy is actually followed from a global trend. It is an American concept, which has been copied by the organization.
Most of the managers interviewed believed that TQM adoption would improve the performance of the HA in terms of efficient services and customer satisfaction, as advocated by many writers on TQM (see Oakland, 1989, 1993; Oakland and Sohal, 1996; Shank and Govindarajan, 1994; Powell, 1995; Chenhall, 1997; Johnson, 1994). This is elaborated upon in turn.

Fiji Quality Award
The Fiji Quality Award (FQA) was an initiative that arose out of the Round Table Conference (RTC) that took place in 1995. The RTC was a project that had been developed by the Asian Productivity Organization (APO) and had been utilized in a number of member states of the APO to establish the basic foundations on which productivity enhancement activities could be further developed. As a consequence, FQA was seen as a broad-ranging approach to quality within a measurable framework for HA to assess its performance. It is seen as a means of benchmarking performance. The model consists of seven criteria linking enabling actions to results.

The four enablers are:

1. leadership;
2. strategy and policy;
3. people management; and
4. processes.

The results are assessed under customer satisfaction and business results. The results of the FQA analysis for HA are set out in Tables II and III.

The ensuing section discusses some of these benefits brought by TQM at the organization.

Benefits of TQM
Archival data collected and interviewee comments suggest substantial changes and improvement in the organization since the implementation of TQM. The tangible benefits included improvements ranging from improved product and service quality, increased sales, improved customer and employee satisfaction. The HA experienced reductions in costs of poor quality, delivery times, employee turnover and absenteeism rate. For instance, it was also argued that if a customer applies for loan now, it is processed within a day or two, provided all the papers are in order. Before TQM was introduced, it took a few months to process and approve a loan application. The lead-time was gradually reduced over time with loans being approved now within a day or two as discussed previously. With TQM adoption, the staff began to realize how important each one of their customers was. The vision and mission of the organization is quite clear to the employees, and they are working towards it. The vision of the HA (1998) is:
Table II. Quality initiative in relation to FQA model at HA

<table>
<thead>
<tr>
<th>Issue</th>
<th>Initiative</th>
<th>Reviewed by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>The chief executive as well as all senior management were to lead all initiatives. They are seen as example setters through participation in staff training and promoting employee empowerment through listening to them, and accepting their suggestions for improvement</td>
<td>Weekly meetings of senior managers to review progress and come up with new targets. Information from the meeting is disseminated to staff to allow for feedback. Interview data suggest that most targets set have been achieved between 1992 and 2000</td>
</tr>
<tr>
<td>Strategy and policy</td>
<td>Corporate plan sets out measurable targets. This is set in consultation with staff, customers and State. Strategy and policy are summarized into seven objectives taking into account needs of stakeholders, e.g. savings, customer retention, staff training targets</td>
<td>Staff appraisal to be carried out against the targets reached, and employees are rewarded in form of bonus payments at end of year for reaching targets</td>
</tr>
<tr>
<td>People management</td>
<td>The HA is quite committed to staff development. It provides both in-house and external training. It sends its staff to complete their Bachelors degree or Diploma at university on part-time basis</td>
<td>Staff appraisal. Training is a special section in annual staff appraisal forms. This is taken into consideration in the award of bonuses at end of year. This training applies to both in-house and external training. A number of HA employees have completed their Bachelors qualification over the previous years Quality audits are carried out by trained staff of other sections of HA</td>
</tr>
<tr>
<td>Process</td>
<td>Guide for staff “Quality assurance system, policy manual”, which translates policy into quality controlled procedures</td>
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</table>

To be the leading Housing Finance Company providing competitive and quality services to advance the vision of government towards better housing and living standards for its people.

Further, the mission statement of the HA (1998) is:

To provide on a financially viable basis, timely and cost effective loan finance principally for low and middle income families in Fiji.

TQM is in-built within the mission of the HA. Without TQM, the workers would not realize the vision and the mission of the organization. With TQM, each employee realized how important he/she was to the organization. One of the managers remarked:

Every player realized their importance in the organization, that is, how important their job was.

One of the other managers maintained:

I believe in the concept of TQM. It is tailor made to suit the needs of the organization. It has not borrowed the ideas, wholesale.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Results</th>
<th>Reviewed by</th>
</tr>
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<tbody>
<tr>
<td>Customer satisfaction</td>
<td>This is measured in terms of customer retention and increase in business. Revenue for the business has grown over the years. This result shows constant increase in business over years without losing customers</td>
<td>Number of new customers each year. Increase in revenue indicated through increase in interest income, and fees and charges from 1992-2000</td>
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</table>

Another manager stated:

With the TQM, we have to do brainstorming and sort out issues. We need to do cost-benefit analysis. This helps build confidence in the staff, as meetings are done professionally. It is satisfying to see that your views will be heard at the board level through the minutes of the meetings. To solve a problem, TQM takes three months. Data collection takes time. At the end, the team presents the case at the boardroom. The chief executive together with the steering committee endorses this and is implemented straight away.

The steering committee has to agree to the teams’ suggestions before they are implemented. It is the quality team who chooses the problem to be solved. The above quotes from employees represent positive intangible outcomes, which ranged from employees realizing the importance of them in quality improvement, to pride in work. Quality improvement became a part of the culture of the organization and improved communication. Besides, they mentioned improved teamwork, the feeling that everyone was important, and everyone was recognized for their contribution.

This created an environment where the workers were motivated to work harder as they realized the importance of their role in the organization through TQM. This had also partially contributed to improving the profitability of the organization. In 1993, after the implementation of TQM in 1992, the HA realized a profit of $518,000. This increased to $687,000 in 1994. In 1995, the organization was still profitable with profit standing at $309,000, while in 1998 the profit was $160,000. However, the year 1999 showed a loss of $3.4 million. This loss was, nevertheless, reduced to $400,000 in year 2000. The HA initially began realizing profit in 1992. The *HA Annual Report* (1992, p. 4) reports:

**Table III.**
HA results in relation to Fiji Quality Award model
For the first time, the Housing Authority has realized in 1992 a net operating profit of $248,000. This achievement is quite significant when compared to the previous operating loss of $1.898 million in 1991.

This conversion to profitability would be partially attributed to TQM. TQM is expected to bring benefits over time, and not instantly. The loss of 1991 was typical of previous years’ losses. The HA in the past had constantly made losses. This was, however, turned around in 1992 with a profit of $1.898 million. The cause of this profitability has been the result of an increase in revenue in terms of fees and charges, and surplus on sale of land and houses. However, it has to be noted that the HA ventured into a number of restructuring programs to becoming self-sustaining and profitable. These included, apart from TQM, the separation of the rental functions under a new body of the Public Rental Board. The HA’s operation was unprofitable prior to 1989 when rental estates were part of HA. Rental expenses used to exceed rental income, thus contributing significant losses to HA. Consequently, rental estates were separated from the HA. In their quest for commercialization, the HA also separated its Lending Division from the Finance Division. The Lending Division became the profit center, and boosted profitability for the organization from 1994 onwards. It was lending at a higher rate than its borrowed funds. Further, it can be argued that in 1991, HA faced a loss situation, which was contrary to the state’s policy of the public sector reform. The chief executive, nevertheless, came up with the idea of TQM in 1992 to eventually ease this loss. This (TQM) was implemented from 1992 onwards with the assistance from PAQF. These eventually assisted HA in reducing its losses and moving the organization towards a profitability situation over time. Such have been claims by others on TQM (see Chenhall, 1997; Shank and Govindarajan, 1994).

The HA (1993, p. 10) Annual Report further highlights that:

Total quality management has already transformed the attitude of workers at the housing authority. They now feel more responsible for their work and realize the impact of poor quality on the financial performance of the Housing Authority and its capacity to look after them. . . . In order to ensure corporate belief and commitment, a TQM policy for all employees were formalized and adopted: “We should do it right the first time on time, and all the time”.

TQM has facilitated the workers to realize that they are all-important players in the organization, and they all contribute to customer satisfaction, and consequently to reducing defects in the supply of houses and financial services. The organization structure was decentralized due to TQM and all workers’ view were recorded and taken to chief executive and the steering committee from team meetings. This motivated them to work harder. In addition, targets were built for senior staff along customer satisfaction objectives such as attending to customer complaints within five working days, number of customer complaints received, and so on. The senior staff had achieved these targets. Thus, it can be inferred that they were more responsible for their work.

The TQM practices are embedded in all aspects of the HA. The process improvement teams function across all areas of product delivery at HA. The
management is committed to improving its customer services and is continuing quality programs to achieve a high standard quality service to customers (HA, 1993).

There has been, however, some resistance to the TQM idea as well. The ensuing section discusses this.

**Reluctance towards TQM**

Initially when TQM was introduced in the HA, the workers were a bit reluctant to accept it. Such reluctance was exhibited by one of the managers as

Some of our staff did not like the idea of the TQM system, and left the organization. At least one manager quit the organization since the system was in place.

A few managers, however, were filled with anxiety after the introduction of the TQM philosophy. Their anxiety was attributed to the subordinates being given freedom to express views on them. The team leaders were to ensure discussions are centered on the processes, and means to improve them. There were also degrees of fear at the supervisory level as people who had quiet so far could speak up during these meetings. Through TQM, management functions or tasks are taken to a lower level. This undermines some of the management, but for the commercial viability of the organization, TQM has been adopted. Everything in the meeting is documented and this goes to the steering committee, which comprise the chief executive and other senior managers at the HA.

A variety of other issues included overcoming the belief that management solves problems despite employees being aware of them, the feeling that TQM may be a fad and the fear that speaking about problems at a team meeting could jeopardize one's job.

However, through training, this reluctance was reduced. One of the managers argued:

Changing the culture of the organization was difficult. Management level also agreed to the TQM reluctantly. But it was the directive from the top, so people had to abide by it.

Some of the employees still maintained the lazy attitude towards work. For the implementation of TQM, they had to change their attitude and work more sincerely for the improvement of the organization. According to some senior managers interviewed, this was somewhat difficult to achieve.

**Discussion and conclusions**

This paper has utilized a case study approach to examine issues relating to the rationales of TQM implementation at a Fijian public sector organization – the HA. The TQM principles have been implemented at HA in response to the changing competitive environment of business over the last few years. In our
case organization, there has been improvement in operating and financial performance. Loans are now approved within a short span of time. Before TQM, it used to take months to process the loans. The profit of the HA has improved as well over time. Thus, it can be argued that HA has been able to sustain its performance and has not slid back to bad performance through the quality management program. The findings are consistent with the claim that TQM is one of the keys to a firm’s competitive success (see Johnson, 1994; Powell, 1995; Chenhall, 1997; Shank and Govindarajan, 1994; Hoque and Alam, 1999).

Further, institutional theory, as discussed previously, proposes that an organization’s survival requires it to conform to societal norms of acceptable practice to achieve high levels of productive efficiency and effectiveness. Many aspects of an organization’s structure and policies tend to demonstrate conformity with institutionalized rules expressed by external constituents such as society. The societal norm was the public sector reform, which the HA had to conform to in order for it to be externally legitimate, and to operate on a commercial basis with a profit motive. The policies of TQM serve to enhance the commercial status of the HA, and a movement away from the welfare emphasis.

Hoque and Alam (1999, pp. 208-9), in a similar case of DTL, argue that organizations adopt TQM practices to promote “institutional” and “quality” culture rather than for technical reasons. Many writers argue that business environments along with various regulations in society can influence the behavior of constituent organizations (Meyer and Rowan, 1977; Covaleski et al., 1993; Bealing et al., 1998; DiMaggio and Powell, 1983; Scott, 1987; Scapens, 1994; Gooderham et al., 1999; Whitley, 1999; Chua and Petty, 1999). Further, they argue that organizations may adopt certain policies and procedures by imitation and copy one another to demonstrate conformity with institutionalized practices (DiMaggio and Powell, 1983; Scott, 1987; Hoque and Alam, 1999; Meyer and Rowan, 1977; Gooderham et al., 1999; Chua and Petty, 1999).

The observations reported in the present study suggest that TQM adoption at HA helped in gaining acceptance from professional associations such as the PAQF and the state. That is, quality culture is promoted at national level in Fiji through organizations such as the PAQF and also the Fiji National Training Council, through their regular quality conferences. The Fiji National Training Council has also initiated the Fiji Quality Awards. The goal of the Fiji Quality Award is to promote Fiji organizations to adopt TQM and improve quality. The award has been implemented, and HA has been applying for the award as well. A few of the organizations in Fiji are already ISO 9000 accredited. Certifying organizations like KPMG Peat Marwick, Lloyds, Bureau of Veritus Quality Association play a vital role in disseminating the ISO 9000 standards and advising organizations on TQM. The HA intends to achieve the ISO 9000 status in two years time.
Further, the technical-rational model in this study helped explain why TQM existed in the organization. The survival was dependent on new management philosophy of TQM as it facilitates customer satisfaction and enabled the HA to be efficient in its operations. This helped HA in meeting the needs of its environment, particularly in satisfying the needs of the customers. Thus, it can be argued that TQM becomes instrument in the service of rationality and efficiency.

It is, thus, apparent from the results that the HA aspired to be known for quality, transparency and accountability. As such, the HA faced no difficulty in accommodating the TQM principles. The institutional requirements and wider social and political influences were easily accommodated. The commitment to quality was seen to be influenced by the social, institutional forces as well as the internal need to be successful within the market. The adoption of TQM improved the HA’s organizational effectiveness. This ensured its survival and continuity in operation.

This study related to a single-site study. Future research adopting a multiple-site study may shed further light on this issue. Future research can be undertaken to compare the findings in this study with findings that relate to: international housing institutions abroad; privately or publicly traded manufacturing firms; and firms in other countries (e.g. Hoque and Alam, 1999). Such an undertaking could open a new path of research. This would enhance our understanding of the factors that influence the adoption of TQM in an organization.

Notes
1. Recently, operations management literature uses the term “organizational excellence” as an alternative to the conventional term “total quality management” (TQM).
2. Fiji Quality Award is a framework for TQM aimed at promoting and stimulating Fiji organizations to adopt and improve quality as the fundamental process for continual growth.

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Further reading


