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CONTENTS

EFFECT OF EMPLOYEE'S NEEDS AND ORGANIZATIONAL DESIGN ON PERCEPTION OF TQM EFFECTIVENESS

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Abstract

The paper assesses the effect of two psychological variables (employees needs and organizational design) on employees' perception of TQM effectiveness. A total of 80 respondents drawn from two organizations in Lagos practicing TMQ participated in the study. Data were collected by means of questionnaires. Four hypotheses were tested and confirmed by the results from findings. Employees' needs and organizational design showed significant impact (at P<0.01) on employee's perception of the effectiveness of TQM practices in the sampled organizations. Growth need had the most significant effect on the perception of TQM effectiveness in the study.

Introduction

More than ever before experience indicates that organizations are dynamic. The best recent example of environmental pressure in stimulating organizational change is the increased competitiveness of business. This is brought about by a more global economy, deregulation; advanced technology, and economic recession.

In contemporary organizations, much change is led by top management and involves sweeping modifications of a strategy. Today's top executives view the task of improving product and service quality to be a priority. This is due to the intense competition for customers, both locally and globally. To achieve competitive advantages, many organizations have begun to pursue 'Total Quality Management (TQM) among other business processes. It is a systematic attempt to achieve continuous improvement in the quality of the organisation's product or services. TQM is founded on the principle of doing right thing first time very time.

TQM is gaining increased attention, as an article of faith by companies that want to stay in the competitive race, let along be profitable. Many global successes of notable companies among competitors have been attributed to their

building exceptional quality into their products at every stage of the production process through TQM practice.

In Nigeria, as in other parts of the world, TQM as a management philosophy is gradually being imbibed and built into the management process by companies striving to be ahead of competitors. It is becoming the management practice of some major multinational corporations and indigenous manufacturing and service industries. It is also the case with managers considering taking their business down the quality road (Walley, Allen, and Burns, 1993).

TQM provides an overall concept that fosters an obsession for continuous improvement in the organization. As a business process, it stresses a systematic, integrated, consistent, organization-wide perspective involving everyone and everything. In the process of management, TQM focuses primarily on total satisfaction for both the internal and external customers. It is patently obvious, therefore, that organizations where doing the right thing right first time very time becomes a culture, substantial reduction in operating cost and the concomitant effect of higher profitability are the rewards. Faithful adherence and missionary commitment to a quality delivery process is the secret of TQM organizations.

In defining TQM, Ho (1995) included leadership, motivation, commitment, teamwork, effective communication, and continuous improvement as the components of its practices. TQM was perceived as a value process that is accompanied by the desire for high involvement and highly productive work force. Consequently, it emphasizes the use of all people. It brings about improvement from within the organization. Everyone associated with the organization is involved in the "unending journey" of continuous improvement. Therefore, it requires total employee commitment. Although a desirable organisational behaviour is central to TQM in organisation's effort to meet customer satisfaction and achieve the desired company profitability, the impression of the employees about the effectiveness of the practice will influence their behaviour towards it. The employees' perception of TQM as either effective or ineffective business practice shows their willingness to be involved in the efforts to bring about its success. Frequently, people base their actions on the interpretation of reality that their perceptual system provides, rather than reality itself.

In their perception of the institution's organizational practice, the employees as individuals have needs, which they also carry to the work place. These needs according to Doyal and Gough (1991) are the preconditions at home and work. Needs are physiological and psychological wants or desires that individuals can satisfy by acquiring certain incentives or achieving

particular goals (Johns, 1996). As it were, motivation is in part, designed as a way of satisfying people's needs at the work place. This is done with the belief that employees' commitment is driving by motivation. Therefore, to achieve the desired organizational behaviour, employee motivation becomes imperative.

Consequently, for motivation to serve the purpose of a need-satisfier it is also necessary to classify the needs into high and low levels of importance according to its prepotency which can make certain outcomes and expectations attractive. The employee's needs being considered are the Existence, Relatedness and Growth (ERG) needs which have been identified and classified as human needs in organizational setting (Alderfer, 1972). Alderfer condenses the Maslow's hierarchy of needs into three need categories.

The Existence needs consists of all the various forms of physiological and material desires. In organizations the need for pay, benefits, and physical working conditions are also included in this category. The need compares with Maslow's physiological and certain safety needs.

The "Relatedness need" on the other hand, includes all those that involve interpersonal relationship with others at the work place. This category is similar to Maslow's Safety, social, and certain ego-esteem needs. Finally, the 'Growth needs' are all those that involve a person's effort towards creative or personal growth on the job. Satisfaction of Growth need results from an individual engaging in tasks that require the individual's full use of his or her capabilities. The need apart from developing new skills and knowledge at work also includes having independent thought and action within the work place.

In every individual working in an organization, each of these needs is either of high or low importance. In other-words, at every point in time, any of the needs can be proponent and the employee moves up and down the hierarchy depending on how they have been addressed by motivational strategies in place in the organization. As individuals differ in the level of importance of each need, so are organizations implementing TQM have structures in which the formal relationship between levels of employees are different. It is this relationship that organsational design represents.

In Nigeria, while some TQM companies have hierarchical structure of control, authority, communication that is primarily vertical (from supervisor to subordinates), others have network structure of control, authority, and interactive communication. These two situations have been aptly described by Evans (1963) as "Mechanistic and Organic Designs respectively". In organizations with Mechanistic Design, obedience to formal authority is more valued than commitment to the organisation's task and goals, which the organic design represents.

While the mechanistic design applies conservative approach to motivational strategy, the organic design has more radical approach. Despite these differences in design, some organizations in both categories pride themselves as TQM practitioners and are quick to attribute their successes to the implication of TQM. The employees who are the actors in the organizations operate under two different designs but with similar business practice, and as individuals then also have needs, which they carry to the work place.

Consequently, it becomes imperative to consider the suggestions of Weick (1979), that individual and collective perception of the employees influence their vision and assessment of the organisations' business strategies which enables them to see and interpret in certain ways the effectiveness of the management technique in place. This is why in the attempt to assess the perception of TQM effectiveness in some organizations in Nigerian, the Employee's needs and Organisation design as the independent variables become very necessary psychological factors being considered in this study. However, considering the differences in employees need level and the organizational design, what effect do these variables have on the employees' perception of TQM effectiveness in the organization?

Objective of the Study

The study sets to investigate the effect of the level of employees' need (high and low) and the organizational design (mechanistic and organic) on their perception of TQM effectives. It also involves a consideration of individual and joint effects of the independent variables.

Significance of the Study

The study is being undertaken with the hope that the outcome will help in no mean way in answering some of the questions on why some workers do not put forth the appropriate organizational behaviour for their company to serve as benchmark to competitors. It is also expected to serve as a useful guide to TQM apostles in structuring their organizations to the design that will be conducive for TQM practice to be effective.

Theoretical Framework and Literature Review

The study is founded on the theories of Alderfer's ERG, Vroom's Expectancy, and McGregor's 'X' and 'Y'. Alderfer (1972) proposed a motivational theory that seeks to explain human needs in organizational settings. The theory states

that there are three human needs in organizations. These are the existence, relatedness, and growth needs. The theory came in a bid to answer the questions of what needs the individuals in the organization have. What needs have been satisfied? How can the unsatisfied needs be satisfied (Mondy, et. Al., 1990).

Although, Szilyaski has criticized the theory for not actually revealing anything new about human needs other than the earlier ones identified by Maslow and Hertzberg, it however provided a framework for the knowledge of the level of individual's motivated behaviour. It also provides the most current approach to motivation based on a need framework (Alderfer, 1972). The theory generated much predictions including expected changes in need strength when one is frustrated, there will be an increase in existence needs.

Another theory of interest in assessing employee's perception of TQM effectiveness is the Vroom's 1964 Expectancy Theory. It is a process theory, which states that motivation is determined by the outcomes that people expected to occur as a result of their actions on the job.

Both the need and process theories seem to be very effective due to their flexibility across cultures. However, international management literature is replete with over generalization. For example, in a study by Alder (1995) an expatriate manager in Japan decided to promote one of Japanese sales representative to manager (a group reward). To the surprise of the expatriate boss the promotion diminished the new manager's performance. Why? He has a high need for harmony- to fit in with his colleagues. The promotion, an individualistic reward, separated him from his colleagues, and therefore diminished his motivation to work. They saw such organizational practices of promoting individuals as embarrassing and ineffective. In a TQM organization, such employee may have perceived it as ineffective.

In considering organizational design as a variable in the study, McGregor's (1960) theories 'X and Y' reflect the choices it makes about organizational design (Buchanan & Huczynski, 1997). Theory 'X' is well linked to mechanistic design, while theory 'Y' is linked to organic design that allows flexibility in authority and responsibilities of employees.

Caulcut (1995) noted that the effective development of workers does not include coercing them into acceptance of the goals of the enterprise, nor does it mean manipulating their behaviour to suit organizational needs. Rather, It calls for creating a relationship within which a man can take responsibility for developing his own potentials, plan for himself, and benefit from putting his plans into action. By this process he can gain a genuine sense of satisfaction, for he is using his own capabilities to achieve simultaneously both his objectives and those of the organization.

Similarly, Caulcut found that employees are not solely motivated by money (existence need), and that all employees are not identical in their needs, motivation and impression of the organisation's objectives.

From the literature, the needs differ in terms of motivational impact, and employee empowerment is also valued by employees as they react to any organizational practice.

Hypotheses

The following hypotheses were tested in the work:

i)   Employees' heeds will have significant effect on there perception of TQM effectiveness.

ii)   Organisational design will have significant effect on employee's perception of TQM effectiveness.

iii) Growth need will be rated significantly higher than other needs by employees in their perception of TQM effectiveness.

iv)   Organic design will significantly affect perception of TQM effectiveness than mechanistic design.

Methodology

The 3 x 2 x 2 x 2 factorial design was employed in the study, which involved 80 employees randomly selected from two organizations in Lagos, Nigeria that are practicing TQM. They are Owena Bank, Cadbury Nig. Plc.

Data collection was by means of a questionnaire comprising of four different scales. Section A taps information on demographic characteristics. The level of employeee's need (ERG) was assessed in Section B by using the Employees need scales (ENS) comprising of 30 items. It has a 4-point response format from not important (1), to very important (4). The organizational design (Mechanistic or Organic) was measured with the organizational design scale that has 8 items with a 'Yes or No' (2-point) response format where Yes = 2, No = 1. It was the Section C in the questionnaire.

Section D contains the Practice Effectiveness Index (PEPI), which has 40 items with a 4-point response format from Very Effective (1) to Not Effective (4). The higher the score the less effective the practice is perceived.

Table of Psychometric properties

The Scale	Cronbach Coefficient Alpha
Employees Need Scale (ENS)	0.95
Organisational Design Scale (PDS)	0.96
Practice Effectiveness Perception Index (PEPI)	0.94

Result

Table 1

A 3 x 2 x 2 x 2 ANOVA table showing the impact of Employee's Needs and Organisational Design on Perception of TQM Effectiveness

Source	DF	Sum of Squares	Mean Sq.	F-Value	Prob.
Model	7	54265.95	7752.27	8.22	<.01
Error	72	67927.59	943.43		
Corrected Total	79	122193.55			

Table 2

An ANOVA table showing the individual effects of Existence, Relatedness, Growth, and Organisational Design and the interaction effect of each need with organizational design on perception of TQM Effectiveness

Source			DF	Sum of Squares	X^2	F-Value	Prob.
Existence			1	39100.28	39100.28	41.44	<.01
Relatedness			1	37095.69	37095.69	39.32	<.01
Growth			1	52459.00	52459.00	55.60	<.01
Org. Design			1	4604.27	4604.27	4.88	<.01
Existence	X	Org.	1	12332.67	12332.67	13.07	<.01
Design			1	14273.77	14273.77	15.13	<.01
Related	X	Org.	1	5211.57	5211.57	5.52	<.05
Design							
Growth	X	Org.					
Design							

Table 3

A multiple Duncan's table showing the level of significance mean difference between the three types of Needs (ERG) at two levels and the two types of organizational design (Organic and mechanistic) on perception of TQM effectiveness.

Group	X	N	Variables
A	184.143	35 High	Existence
B	139.578	45 Low	
A	184.143	35 High	Relatedness
B	139.578	45 Low	
A	190.43	32 High	Growth
B	138.16	48 Low	
A	168.61	31 High	Organ. Design.
B	153.04	49 Low	

Discussion and Conclusion

All the hypotheses tested in the study were confirmed. Employees' needs were found to have significant effect on their perception of TQM effectiveness in the organization. The propositions by Alderfer and Vroom's theories that employees have needs, and the expectations that the outcome of their actions will meet the needs lend credence to the finding. It can be inferred from the results obtained that their perception of the effectiveness of TQM depends on how they see it addressing their needs as well. The finding further supports that of Doyal and Gough (1991) when they found needs to predispose individuals to impression formation and actions.

The findings, which also confirmed hypotheses, two and four respectively support the earlier position of Caulcut (1995) that employees valued empowerment which occurs in a flexible organizational design (organic). Therefore, it showed that the type of organizational design in place has a significant impact on employees' perception of the effectiveness of TQM practices in the organizations. However, organic design was found to have more impact on employees' assessment of TQM effectiveness.

Finally, as can be seen from Table 3, Growth need was scored by the respondents as having more effect on employees perception of TQM effectiveness. This is slightly different from the position of Alderfer that any of the needs can be more effective in determining workers' reaction to organizational practices. According to him, the three needs fluctuate. But from the 32 respondents that rated growth needs as more important to them, they saw it as having more effect on their assessment of TQM effectiveness. In fact, their mean score (190.4) was far higher than the other 48 respondents (mean=138.1). The different is quite significant to conclude that growth need is more important to employees in their perception of TQM practice effectiveness. Little wonder then that employees tend to clamour for autonomy to enable them freely exercise their idea in task performance and be less dependent on bosses which promotion in organizations entails. The finding however contradicted Alder's (1995) work where a growth reward on a Japanese employee led to his performance decline. Such an employee will rate relatedness need as having more impact in his assessment of TQM effectiveness. So, promoting such an employee may not bring about high involvement and commitment to the ideals of TQM in the organization.

The findings from the study cannot however be generalized across organizations nation wide or internationally. The validity of the theories across culture is questionable especially in Nigeria with high level of frustration of existence need and organizations with bosses who are not willing to delegate authority and responsibilities. And a much large sample would have made the findings more generalizable.

Nevertheless, the study has given insight into employees' need assessment, the nature of organizational design in some companies practicing TQM in Nigeria and the employee's perception of the effectiveness of TQM. Finally, the high mean scores the respondents assigned growth needs shows how employees strongly desire opportunity for independent thought and action at work, which although TQM practices tend to promote.

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