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## CREATING INNOVATIVE ENVIRONMENT IN TOTAL QUALITY MANAGEMENT SYSTEM WITHIN COMPANIES

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**Key words:** Qualities, innovations, organizational culture, buyers, quality providing systems, total quality management.

**Abstract:** The decision for development of the quality providing system could go in line with the company's expansion and with the concept of the total quality management (TQM). The most diligent-untouchable assets within the companies are referring to the relation with the customers/consumers, employee's skills and their knowledge and building an organizational culture tending towards innovations, problem solving and total working promotion. The paper discusses attitude of companies in Macedonia to promoting employees' motivations to knowledge sharing and innovations.

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### Introduction

TQM strategy for continuative and maintainable improvement of processes, products and services contains a huge potential for development of creativity, apart from the traditional methods for quality improvement. This process of internal changes in the organization (James, 1996) that present effective responses to the outer changes is being part of the TQM strategy.

The polls of the House of Quality are: internal standardization, methods and techniques for flawless work performance, education, motivation and costs. The bases of the "House of Quality" are: the measurements, evaluation, analyzing and comparison of the quality/ bad quality. The top management is the most responsible point in the "House of Quality" and it is the one that "stands" on these four pillars that are actually the subsystems of the quality management system.

### Managers' capacity - innovations' condition

In each organization the innovation process according European Foundation for Quality Management (EFQM, 1997) should be implemented, which actually presents a sum of activities and events, inside and outside the organization, that are beginning with the idea and completing when the idea is being adapted and placed into practice. As of the features themselves, all innovations are including changes within the organization, but all these changes are not making the innovation. Innovation within one organization is a getting a creative and effective solution of customers/consumers issues.

Innovation and management according EFQM (1998) could be contradictive because in one hand the innovation is a result of freewill and unlimited opinion and, on the other hand, the innovation itself requires management and control. Management needs to create innovative environment (EFQM, 1997) that will stimulate each individual inside the organization towards creative thinking and original solutions. Within the organization, the innovation and a simulative means imposes a necessity of a system of rewards and acknowledgements. Main creators of

the innovative environment are the managers that ought to be:

- innovative and enthusiastic;
- innovative themselves - to think outside the rough business schemes and to be open for new ideas;
- prepared to accept the risk and provide the necessary resources for realization;
- hear and encourage and support the employees and trust them as well;
- more tolerant in cases of failures and mistakes.

The management needs to be in capacity to coach each individual in the organization to find an answer regarding the unknown changes and to establish a process for continued improvement - innovations, in accordance with the operative management of the organization.

Main starter of the innovations is the global competitiveness, when every leading company in the world bears in mind that it needs to reach and overcome their competitors in the business practice as a basic precondition in the market maintaining. Leaders and emerging companies are getting interested in gaining a quality rewards as well. So, the companies need to improve in order to remain in the race with the competitors. TQM strategy is not only influencing towards the improvements of the performances within the business processes, products/services but through this strategy the optimization of those business processes is achieved and therefore the innovative climate for improvement of the business processes and development of new products/services is being stimulated also (Rao et. al., 1996).

The training is a necessary instrument for constant improvement, through constant strengthening of the employee's capability, because if they are not exposed to new techniques and methods there is no possibility for improvement and development. Main role goes to the total management that needs to be prepared to learn (McHenry et al., 1997) and this necessity should be transferred to the employees. The learning creates and strengthens the team spirit, because the knowledge leads to understanding, trust and good office behavior. The investment in the technology, equipment and process changes is important, but those inputs do not guarantee the development and the advantage in market competition without adequate investment towards

the employees. The most developed and wealthy countries base their strategy on an industry development, knowledge and effort (Mitrevva, 2006).

In order to develop a good system for quality providing and stimulation of the innovations the motivation is necessary and even essential. The quality and innovations awareness is created through many motivation activities (Chepujnoska et al., 1993):

- developing of the awareness to each employee that the product quality is crucial for the sale, and knowing the fact that the business results depend on the sale within the organization;
- each employee needs to understand that his/her position has an influence over the product quality;
- each employee needs to be shown that his/her idea for improvement and innovations will be implemented because it is important;
- to built a system for improvement and rewarding of the realized results.

### **Findings from empirical study**

A profound analysis has been done regarding the issues of 151 Macedonian companies (Mitrevva, 2009). The companies were analyzed through a questionnaire and detailed analysis with the two base purposes:

- to realize the fact that Macedonian companies learn and stimulate the individual and collective learning, in order to improve the results of the organization;
- to realize the fact that the employees are involved into the business processes, as well as authorized to perform organizational functions and how are their results being acknowledged.

The analysis has demonstrated that 64.6% of the examined firms sometimes do have a practice to do trainings at work; 33.3% of them have planned, organized and well-conducted training; 2.4% of them have never practiced any training. It became evident from the study that most of the trainings are done by the companies themselves, in order to give the opportunity for prequalification and further qualification of the employees.

The question if the company organizes training for gaining an additional knowledge on regular basis, is being set in order to examine the awareness of the top management for the necessity of continued professional improvement and developing of the employees in the era of knowledge. The examination has revealed that 56.3% of the examined do attend a training for gaining an additional knowledge if necessary; 13.9% attend training once a year; 3.3% of them have attended two times a year which is the minimum year professional improvement in the era of knowledge; 26.5% of them do not practice trainings. This fact is alerting.

So, the research results allows to state that absence of regular trainings is one of the reasons of low competitiveness of our products on international markets.

Also, analysis of data given by the examined companies made it possible to study their investment attitude in regard to innovations. The following results were obtained:

- 43% of the companies generally do not invest in innovations, research and development;

- 15% of them spend less than 0.5% out of the total income;
- 20% of them, spend between 0.5-1% of the total incomes;
- 22% of the examined spend more than 1% out of the total incomes.

In the companies that invest into innovations, R&D, only 7% of them are rewarding innovations. This shows that the top management acts de-motivating regarding employees' desires and intentions to invest additional efforts for innovative activities. The efforts that are given for innovations, R&D are minor.

Regarding the question how managers stimulate employees for improvement of the business processes, the study has provided following results:

- 19% of the examined confirmed that their employees are giving suggestions for improvement and the ideas are implemented either through mending of the standard operative procedure (SOP) or without adequate procedure;
- in 73% of cases, the problems are being loudly discussed, but the suggestions are not put on a paper (or they are being registered on a paper but never implemented). It means that these organizations has a huge number of unused ideas;
- only 8% of the examined consider that this topic in not discussed at all, meaning that the ideas remain in the heads of the employees.

Definitely, in the last two cases, examined companies have problems with sharing the knowledge and promoting innovations. The reasons should be sought in the organization culture, because there is not sharing of knowledge as long as there is not trust among the employees.

Participation of the employees into all functions of the organization is very essential. Creative energy of employees should be taken into consideration to advance companies' in their business management. The problems that the developing countries deal with are to find themselves and identify those parts of their own tradition, history and culture that might be used in building the management.

### **Conclusion**

In each organization there must be a maximum effort given for its self-maintaining through constant improvement and innovations. The continued improvement comes where the organizational performances are maximized, with the management and spreading the knowledge inside the organization, with new culture that is based on continued education, innovation and improvement.

In order to keep self-maintaining, through constant improvement on the way that leads from the chaos to the absoluteness, the organization established a dynamic relation among: management dictatorship that is based on the strong need to realize the aims of perfection; active knowledge with the manual for action taking; processes for improvement and innovations with usage of modified Deming (PDCA) cycle.

The new management system that is based on TQM strategy seeks much less monetary efforts and time and could get same or even better effect than the huge investment in equipment. The solution is found in the improvement of the management system through new strategy, staff development, creating innovative environment and improvement of the processes far earlier before the purchasing of new technologies, especially IT.

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