Introduction

Despite the growing use of total quality management (TQM) the results are uneven. Academics and businessmen are accordingly trying to identify the factors that explain the success or failure of TQM systems.

It is mostly agreed that “management commitment and leadership” is one of the important issues for successfully implementing TQM. However, there are still few arguments, in the management literature, to advocate that not only is a manager’s commitment and support sufficient, but also that the role that managers perform as leaders is necessary. While committed managers tend to lead the process using mainly their formal power, those who are leaders have a different kind of authority that influences people’s free will.

Managerial leadership generates a trustful milieu that is able to influence the members of the organisation beyond formal power and bring about profound changes. We will defend that this trust relies on the leaders’ technical, psycho-emotive and moral competence. Only through the explicit consideration of the leadership ethical dimension is it possible to explain accurately why some managers have the ability to influence people’s behaviour in organisations strongly and, as a result, why leadership is an enabler of complete, deep and sustainable implementation of TQM principles: “complete”, because leadership facilitates the implementation of all the principles; “deep” in the sense that the changes obtained through leadership go beyond new organisational arrangements and arrive at the field of personal values and behaviours; and “sustainable” because, followers’ commitment to quality could hardly remain without the kind of trust that leadership generates (explicitly considering its ethical dimension).

The ethical dimension of leadership

TQM literature agrees with highlighting management’s commitment and leadership as a determining factor in the implementation of this management philosophy (Oakland, 1989; Crosby, 1994; Dean and Evans, 1994). However, managerial commitment and managerial leadership have different scopes: a
A manager who is a leader is committed to the process of change, but a committed manager does not necessarily have to be a leader. Managers’ commitment implies that they will facilitate the allocation of resources and will support (using their formal power) those who develop the TQM project. Managers can also commit themselves by taking part in all activities related to the improvement of quality.

However, leadership goes beyond this boundary of formal power by involving a different sort of adhesion. The leadership phenomenon is described as “any type of process or act of influence which in any way gets people to do something” (Ciulla, 1995, p. 12). It constitutes an inter-personal relation of influence that is dynamic (a continuous exchange of influence and acceptance) and free, because the follower’s behaviour cannot be required or demanded, it depends on his/her own will (Guillen and Gonzalez, 2000).

Specialised literature offers an enormous variety of reasons to explain this phenomenon of free adhesion to the leader. Table 1 shows a synthetic review of the main approaches to leadership and how different scholars have described this phenomenon. For years, theoreticians studied the characteristics and main traits of great leaders, focused on the question of what or who a leader is. Later, the so-called charismatic approach focused also on leader personality and the emotional adhesion that the leader provokes. From the static perspective of early studies, some researchers translated their attention to the dynamic aspect of the same reality. The kind of influence that leaders provoke was then explained by the way leaders act. Leaders’ behaviour would explain followers’ adhesion. Then, related to those approaches, cognitive models centred their attention not on leaders’ doing but on their thinking.

Once the static perspective was overcome, attempts were made to build up a universal theory of leadership, able to explain the phenomenon in every situation. Situational approaches focused on when and where leaders influence. Understanding of the leadership phenomenon kept advancing. Without leaving earlier approaches, new groups of theories paid attention to the nature and dynamism of the relation of leader-follower. Followers are now explicitly considered in this wider perspective in order to understand why they follow leaders.

“Relational approaches” include:
- transactional leadership, in which leaders and followers are viewed as parties to an economic transaction;

### Table 1 Leadership main approaches

<table>
<thead>
<tr>
<th>Emphasis of the studies</th>
<th>Main questions</th>
<th>Approach</th>
<th>Main research decade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader personality</td>
<td>What is a leader?</td>
<td>Centred on traits</td>
<td>1900-1950</td>
</tr>
<tr>
<td></td>
<td>What type of person?</td>
<td>Charismatic leadership</td>
<td>1980s</td>
</tr>
<tr>
<td></td>
<td>Which personal features provoke emotional adhesion?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader behaviour</td>
<td>How do leaders manage?</td>
<td>Leadership styles</td>
<td>1960s</td>
</tr>
<tr>
<td>Leader rationality</td>
<td>How do they think?</td>
<td>Cognitive models</td>
<td>1970s and 1990s</td>
</tr>
<tr>
<td>Leader context</td>
<td>When and where do leaders appear?</td>
<td>Situational leadership</td>
<td>1970s</td>
</tr>
<tr>
<td></td>
<td>How should they act?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational approaches</td>
<td>What can followers obtain?</td>
<td>Transactional leadership</td>
<td>Middle 1970s</td>
</tr>
<tr>
<td>Leader-follower</td>
<td>How do leaders transform aptitudes and attitudes of followers?</td>
<td>Transformational leadership</td>
<td>From middle 1970s to the present time</td>
</tr>
<tr>
<td>transaction process</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader-follower</td>
<td>Why does servant attitude of leaders generate adhesion?</td>
<td>Servant leadership</td>
<td>1990s</td>
</tr>
<tr>
<td>influence process</td>
<td></td>
<td></td>
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<tr>
<td>Leader-follower</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>service process</td>
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<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Guillen and Gonzalez (2000)
transformational leadership, where leadership is conceived as a process of transformation of followers; and

• **servant leadership**, which emphasises the attitude of service in the relationship.

All of these approaches described could also be analysed considering the aspects or dimensions involved in this relationship and not the protagonist (Guillen and Gonzalez, 2000). In this sense, it may be stated that the leadership relationship is based on three main aspects or dimensions: the technical; the psycho-emotive; and the ethical.

There is a set of technical abilities, owned by the leader, like his/her knowledge and his/her “know how”, that may explain his/her capacity to influence. The leader attracts because of his/her ability to achieve results, his/her aptitude, his/her knowledge, networking and experience (the transactional approach and all the approaches based on leader capacities to obtain results would rest mainly on this dimension).

Joined with this technical dimension, another source of influence on followers’ behaviour may be based on psycho-emotive aspects. The leader’s attraction would rest on the psychological traits of his/her character, on his/her social skills and on his/her ability to create an appealing climate (transformational approach to leadership and also charismatic would be based especially, but not exclusively, on this dimension). And finally, there is a third aspect of leadership, scarcely studied by the literature, that may help to explain the leader’s social influence. This has to do with the rightness and goodness of the leader’s intentions: with the ethical dimension of this phenomenon (recent approach of servant leadership is based mainly in this dimension).

The ethical dimension of leadership refers to right decisions and actions combined with good intentions, and accompanied by moral correctness of behaviours. This dimension emphasises the intellectual and practical rightness of the leader’s actions in his/her relationship with followers. The main source of influence now is not a technical capacity or a psycho-emotive personality, but the moral behaviour of the leader, his/her moral virtues such as trustworthiness, fairness, honesty or integrity (Solomon, 1992). What followers are looking for is to be treated as free human beings in every decision. People hope that the leader’s behaviour will benefit their personal development in every-day decision making.

As far as a leader respects people and followers understand that they are seeking the best for the organisation, and not just for their personal benefit, followers may easily accept indications, and also make free contributions to the project managed by the leader. Compromise with organisational values will be freely offered when subordinates discover this motivation of the manager. This kind of motivation, which transcends the personal interest, generates a kind of trust that we call moral trust, different from the technical and psycho-emotive kinds of trust[1].

The position upheld here is that leadership – the leader’s capacity to influence beyond formal power – may rest jointly on the three dimensions described. Followers’ behaviour is based upon technical, psycho-emotive and moral trust in the leader’s actions and intentions, and the three dimensions are necessary in order to understand it. To forget any of those dimensions would, in our view, constitute a reductionism that would prevent us from understanding the phenomenon in all its breadth and complexity.

The degree of influence exercised by the leader will not depend on just one separate dimension; all will play their part. A leader is judged and admired, not only because of his/her effectiveness (technical dimension), but also for his/her attractiveness (psycho-emotive dimension) and goodness (ethical dimension). All these three facets of leadership are complementary, and all of them contribute to generate trust: the foundation of commitment. Since the three dimensions enhance each other in reality, there may not be a stable leadership if one of them is absent. Therefore, the leader may be followed mainly as a consequence of the trust in his/her effectiveness and the attraction of his/her behaviour. Nevertheless, when the unity is broken and this same behaviour harms people, or people are used in pursuit of the leader’s own interests, the followers may begin to question their adhesion. When doubts arise referring to the honesty or the goodness of the leader’s behaviour, the moral trust, based on the ethical dimension, is shattered.

When a leader seeks adhesion at the cost of not respecting his/her followers or looking out exclusively for his/her own interest, we can no longer speak of followers’ “motivation” in the
strict sense, but of “manipulation”, and when this is perceived, leadership cannot last long. Although effectiveness and attraction persist, once fairness or goodness is questioned, and the unity of the three scopes is broken, influence and motivation start vanishing. The ethical dimension becomes, therefore, a necessary condition for leadership to generate sustained adhesion over time.

Going back to the managerial field, neither all managers are leaders, nor all leaders hold managerial posts. The manager’s capability to influence rests both on his/her “formal power” and on his/her “leadership”. However, when a manager happens to also be a leader the degree of adhesion to his/her person and to the principles he/she defends is greater. Whereas formal power influences the behaviour of subordinates as a matter of necessity, and adhesion is the result of obedience, in the case of leadership adhesion depends mainly on the free will of the subordinate. Therefore, managers who are leaders usually obtain a higher degree of interest, adhesion and participation than those who are not.

In the present complex world of organisations, where flexibility and creativity are necessary conditions to survival in many industries, the role of leaders becomes even more critical. Standardisation and direct control, based on formal power, as managerial mechanisms of coordination, has to be completed with this capability to obtain free adhesion to the purpose of the firm.

As we claimed before, managers can influence their people, either through formal power, which emanates from their position, and also by leadership. In the second case, the subordinate’s answer rests mainly on his/her trust in the effectiveness, attractiveness, morality and unity of the manager’s behaviour. Thus, some managerial practices (or modes of influence in the organisation) could be more related to one source of influence than to another: from those actions directly related to formal power, to those more related to the specific leadership dimension described above (see Figure 1).

The next sections, leaning on these different modes of influence, will defend theoretical arguments that explain why a successful implementation of TQM is favoured by the presence of managerial leadership, emphasising the ethical dimension described above. TQM principles are introduced according to their necessity and in relationship with the ethical dimension of managerial leadership.

### TQM principles and the importance of the leadership ethical dimension

TQM is based on a set of principles, which determines the content of this management philosophy. These principles comprise the organisation in its broader sense, in its formal and also its informal dimension. Therefore the nature and scope of these principles is different. Some of them are of a technical nature and can be described as tools or devices in management’s hands because their implementation depends on management’s willpower. Those principles are focused on efficiency improvement and are basically a matter of organisational design, falling mainly in what Nadler and Tushman (1988, 1997) call formal organisation (structure, work processes, monitoring systems and HR policies) [2].

However, there is a second set of principles which are of a socio-technical and behavioural nature, which deal with the social dimension that every organization has. Those principles are related not only with formal arrangements that could be framed in the formal organisation, but also with the feelings and personal beliefs which belong to the informal organization scope (Nadler and Tushman, 1988, 1997). The full implementation of this group of principles depends not only on managerial will, but also on the members’ “discretionary effort” (March and Simon, 1958).

Apart from its different nature, the other distinctive characteristic of TQM management principles is that they are related with each other in a systemic and sequential way (Figure 2). Leaning on these two main ideas – the principles’ different nature and the sequential relation amongst them – two main groups of principles could be distinguished.

The first group, labelled as primary or driver principles, would include those whose design and implementation depends on management willpower and purpose. These principles deal with the organisation design (product and process conformance to design and standards, management by process, fact-based management, training and teamwork). They shape the firm’s framework that enables
the implementation of the remaining principles (in that sense they could be seen as the necessary condition for TQM implementation). Management leadership, the paper’s focal point, would be included in this group of driver principles.

The second group of principles, labelled derived principles, could be distinguished by two main features: first, that its implementation depends, almost equally, on managerial and workers’ will; and second, that they are implemented in the frame of basic working conditions provided by driver principles.

Depending on their very nature, derived principles also could be divided in two subgroups. One is of a socio-technical nature, and includes: customer satisfaction, co-operation with customers and suppliers, and internal customer. These

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**Figure 1** Leadership, sources of influence and managerial practices

<table>
<thead>
<tr>
<th>SOME MANAGERIAL PRACTICES OR MODES OF INFLUENCE</th>
<th>LEADERSHIP DIMENSION</th>
<th>MAIN SOURCE OF INFLUENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment of tasks</td>
<td>ETHICAL</td>
<td>Morality</td>
</tr>
<tr>
<td>Direct supervision and control</td>
<td>TECHNICAL</td>
<td>Effectiveness</td>
</tr>
<tr>
<td>Compulsory Norms</td>
<td></td>
<td>(Corrective)</td>
</tr>
<tr>
<td>Enforcement and allocation of resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formalisation, practices and procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setting of objectives and goals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information – decision Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognition systems</td>
<td>PSYCHO-MOTIVE</td>
<td>Attractiveness</td>
</tr>
<tr>
<td>Evaluation systems</td>
<td></td>
<td>(Incentive)</td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognition and reward systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Codes of conduct</td>
<td>ETHICAL</td>
<td>Morality</td>
</tr>
<tr>
<td>Declaration of common mission</td>
<td></td>
<td>(Judging Example)</td>
</tr>
<tr>
<td>Consensus/Mobility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other ethical dimensions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperation for the common good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealistic practices</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Figure 2** TQM driver and derived principles
principles are related with the redesign of targets, organizational structures, processes and tasks, but also with changes in people’s mindsets.

A second subgroup, of a behavioural nature, would be composed of two principles: workers’ commitment and participation, and cultural change. By its own nature, leadership will especially impact on this subgroup, and also will generate the milieu – informal organisation (Nadler and Tushman, 1988; 1997) – in which the socio-technical principles would be implanted (Figure 2). Therefore the influence of leadership over these two principles has an outstanding importance because people’s commitment and a cultural change are required to accomplish a complete, deep and sustainable implementation of TQM (Ciampa, 1992; Kanji, 1996).

Even though Figure 2 shows a set of multiple relations between principles, the objective of this paper is describing the influence of leadership over the three principles groups. Therefore, starting from this classification, the paper will devote a theoretical analysis focused on the role and importance of leadership (and its ethical dimension) in each group of principles implementation and deployment.

### TQM driver principles of, and the role of the leadership ethical dimension in its implementation

A first set of principles in this group could be described within a quality assurance frame. They are of a technical nature and fall mainly in what Nadler and Tushman (1988, 1997) call formal organisation (structure, work processes, monitoring systems and HR policy).

A manager who places his/her capacity to influence on the power derived from his/her hierarchical position, and on his/her technical knowledge, may successfully implement these principles, which are a necessary condition to implement quality systems with a broader scope. Nevertheless, as will be stated next, fair criteria and decision making are needed during the process, and the ethical dimension is not absent from its implementation.

### Design and conformance of processes and products

This principle, strictly speaking, consists of establishing a set of requirements and formalising work processes in order to assure the output conformance (Conti, 1993; Dale, 1994; Deming, 1986), as well as to detect and to prevent deviations. It also consists of connecting customer preferences with product and process specifications. Thus, it deals with the drawing up of technical specifications, work process formalisation and the settlement of expected levels of output. Therefore, it seems clear that its implementation can be easily derived from the exercise of the power emanating from the hierarchy. Provided that managers make fairly technical decisions, it seems reasonable to think that people will follow the new specifications.

### Management by processes

Along with the above-mentioned principle, TQM proposes that management take the process as a unit of analysis in order to achieve efficiency and customer satisfaction (Oakland, 1993; Wilkinson et al., 1998). Process design and management is a matter of identifying the value-adding tasks and what is required from them at each stage. Underlying this principle there are a set of organisational design options that may be driven by any manager, inasmuch as he/she has the power and knowledge to define the job scope, the unit grouping criteria and other organisational parameters.

Thus, management by processes is a question of choosing a proper organization design. It requires prior definition of standards and the assessment of organisational units’ performance in terms of output. In order to establish well-defined processes it is necessary to deploy a set of measurement indicators and feedback systems. As a result, management by processes could be implemented at a satisfactory level in the absence of a leader, because it just requires technical decisions and actions. If the processes and indicators are rightly defined, there should not be problems in implementing this principle.

### Fact-based management

The tools for supervision and control must be accurately defined for the purpose of monitoring the performed activities and the
reached targets. Thus, this principle can also be driven from a technical focus. Nevertheless, when measurement, assessment and control systems are deployed, they are aligning incentives and behaviours (Alchian and Demsetz, 1972; Williamson, 1975, 1989). The technical design of those systems cannot therefore be separated from other TQM principles aimed at achieving involvement, commitment and continuous improvement.

Thus, although this principle can be implemented at a satisfactory level from a technical point of view (MBO systems could be an example), when its application is aimed at encouraging behaviour it also demands the concurrence of all of the three dimensions of leadership described. Such measurement systems must be drawn up with technically correct criteria, be attractive – appealing for organization members – and ethical, encouraging right behaviour. On the contrary, the firm is in danger of promoting “malicious obedient” behaviour. That is, managers and workers making up indicators in order to achieve the desired results.

The three principles described above encourage formalisation, standardisation and systematic monitoring. However, even for limited quality approaches it requires the commitment of every organisation member. In fact, in some cases the main obstacle to implementing a quality assurance system is that workers regard it as imposed by management, who have turned their back on employees’ thinking. Sometimes they also do not trust in management’s purposes (“Are they going to fire someone if we improve productivity?”). This could explain why workers do not occasionally involve themselves in the process (Martinez et al., 2000).

**Training**

TQM demands a high degree of decentralisation and this requires that all the members in the firm receive enough education and training (Wilkinson et al., 1998). Employees must be enabled to get knowledge about quality concepts, and to incorporate skills (handling of quality tools and techniques) and attitudes (active listening, co-operation) to be able to apply standards and a philosophy of continuous improvement in which they can participate (Randolph, 1995).

The implementation of this requires the deployment of systems for diagnosing training needs and a suitable resource endowment. Likewise, the training effort must be continued over time in order to adapt to the environmental changes faced by the organisation (Oakland, 1993). However, training goes beyond the mere transmission of knowledge, being a practice closely linked to socialisation, indoctrination and the transmission of values (Mintzberg, 1979). In TQM, training is applied not only in order to instruct in TQM tools, but also to transmit the philosophy of continuous improvement and other TQM principles (Moreno-Luzón, 1993a). It also can and must serve to promote a working atmosphere in which collaboration and involvement prevail (Hall, 1994). Thus, the transfer of information is a necessary but not sufficient condition. True adhesion or internalisation (Nonaka and Takeuchi, 1995)) which goes further than what can be observed and monitored (stems from the free acceptance of the values and ideas proposed.

Thus there must be trust in the truth of quality values, in their goodness, and in the premise that they will have positive consequences for all the individuals or organisation groups. Together with the values, their content and communication, this kind of trust grows up from the ethical dimension of managers’ behaviour, from their perceived intentions and the consequences of their actions (exemplarity). The ability to generate this kind of trust belongs precisely to the ethical dimension of leadership described above.

**Teamwork**

Training, jointly with teamwork, enables the workforce’s involvement in the effective problem resolution, and it has been valued by some authors as a key factor in achieving continuous improvement and excellence (Peters and Waterman, 1982). Generally, it can be said that the right operation of these teams depends first on their members. If they possess the necessary knowledge, suitable resources and adequate decision-making capability (Kinlaw, 1992).

Teamwork typology is broad and heterogeneous (Bowen and Lawler, 1992; Eccles, 1993; Katzenbach and Smith, 1993) and, depending on the sort of teamwork and its members, its proper functioning requires greater doses of managerial power and
leadership. Thus, work units, administrative teams, autonomous production groups, permanent committees or management committees are teams in which there is a relationship of subordination and clear goals, where the result of the group work is specific and easily measurable. In this case, managerial commitment may be enough or, in other words, though necessary, the leader role is not essential. On the other hand, inter-functional teams, project or improvement teams, permanent committees and quality circles are composed of peers, their objectives are ambiguous and the results are uncertain and difficult to assess. This kind of team cannot function properly without the drive of a leader (Carman, 1993; Murphy and Conrad, 1994).

But the important question remains, to what extent is the leadership ethical dimension really important as far as this point is concerned? Work teams are composed of few members and are usually the scene of intense communication flows. In these situations, the members are especially sensitive to the intentions of whoever commands the group. As a result, if affective commitment and normative commitment (based on moral trust) are not well established, it could be predicted that team members will not place all their capabilities at the service of the group, but they will offer a minimum commitment. Again, to explain the deployment of quality principles deeply, the ethical dimension has to be explicitly considered.

Even though there are a set of principles, which can be implanted with technical expertise and proper resource allocation, it is true also that when leadership is absent the kind of trust it generates is absent too. In these cases, quality systems are characterised by the low participation of people from clerical and operative posts (Martinez et al., 2000)[7].

Next, our attention will focus on the set of principles of a socio-technical and behavioural nature in which the need for leadership (resting on all its dimensions and especially the ethical one) has increasing importance.

**TQM derived principles and the need of ethical leadership**

The implementation of derived principles, as explained, depends not only on managerial power but also on the members’ “discretionary effort” (March and Simon, 1958), in their own will. Here the two subgroups described before are presented.

The first one, socio-technical derived principles, is related with the clear and proper definition of objectives, roles, work methods, and attitudes that are necessary in TQM implementation. Formal power is not enough for deeply implementing most of these principles. Trusting managers, their intentions and actions, will become an important aspect to obtain a deep and sustainable implementation. The following paragraphs are devoted to describing the role of leadership’s ethical dimension in its implementation.

**Attention to customer satisfaction**

This principle is one of the foundations of TQM, emphasising customer satisfaction through adaptation to his desires and needs (Black and Porter, 1995; Powell, 1995; Tummala and Tang, 1996). The achievement of this principle depends on the deployment of information-gathering devices and the use of analytical tools that allow customer expectations to be transformed into product specifications and process standards (QFD could be an example) (Mizuno, 1988; Zairi and Youssef, 1995). Resource allocation, proper control and monitoring systems are likewise crucial. Consequently, this kind of application requires a committed management team that allocates resources and encourages actions.

However, customers’ needs are usually heterogeneous and changing. This means that even the best-designed product cannot satisfy every customer. Customers’ needs are not always unequivocal, and the profitability of necessary actions to satisfy them is not assured. Thus, pleasing the customer entails making risky decisions. It implies that fulfilling this principle to the last consequences requires a shared vision and a strong commitment on the part of all organisation members (that is especially true for services). Initially this can be achieved through leadership resting on the technical and psycho-emotive dimensions, with adequate management and a good work climate (Quinn, 1990). However, customer satisfaction is a daily challenge that requires a sustained effort and this demands a proper climate of trust (in his/her technical,
psycho-emotive and ethical aspects), since without trust the shared vision will not last. Satisfying customers means seeing them as human beings to be treated as we would like to be treated. So if a company desires that every worker sees customers in this way, making efforts to serve them, they must feel treated as human beings too and must perceive that the organisation for which they work is concerned about them. Serving customers occasionally requires heroic acts that are not always acknowledged and rewarded. Managers cannot expect such behaviour if workers are not confident that in the long term all stakeholders – including themselves – will benefit from today’s actions (Quinn, 1990). Therefore the perception of rightness in managerial intentions and actions, in the sense of cooperation for the common good, becomes an important condition to the sustaining of this principle.

Cooperation with customers and suppliers
It is well known that achieving quality requires a focus on external relations that change from competitiveness to cooperation, in particular a close relationship with customers and suppliers (Moreno-Luzón, 1993b). Cooperation with major customers enables and enhances their satisfaction and loyalty. In this way, customers can participate by suggesting improvements and changes in the design of processes, products and services, and by monitoring their progress. In addition, the relationship with suppliers is also important. Good quality cannot be provided if products and services supplied to the producer are of poor quality. A quality policy previously agreed upon suppliers generates important links of co-operation and exercises a multiplier effect.

The implementation of this principle involves the design of information exchange systems such as the interconnection of computer systems or the creation of teams (which play a liaison device role. A technically capable manager or group of managers can conceive, design and implement these activities. However, these relationships will be shallow unless firms trust (Williamson, 1996) each other and make sure that the others will not behave opportunistically. If cooperation is going to be fruitful, the participants need to trust that this activity will improve their efficiency and effectiveness, enable them to reach attractive achievements, and not produce deceitful behaviour. In this case, leaders’ influence also projects outwards, directly and through their influence over the shared values in the company.

Internal cooperation – philosophy of the internal customer
An atmosphere of co-operation among different firm members and units is also necessary. Management can take steps to encourage workers to see their colleagues as customers, in order to achieve what Ishikawa (1985) and Juran (1989) call internal customer satisfaction. Some initiatives could be undertaken such as changing the grouping criteria or establishing liaison devices to enable information interchange and encourage empathy among employees. However, this could hardly happen in the absence of a trust milieu (Williamson, 1996).

Other organisational measures that can be encouraged to promote this TQM principle are the deployment of suitable reward systems to promote collective achievement over individual achievement, and to penalise free riders. However, again, if people are not committed, the first measure may give rise to moral hazards. Likewise, penalising “free rider” behaviours may prevent what should not be done, but it does not encourage what should be done – discretionary effort (March and Simon, 1958). The attitude of cooperation by its nature is not something that can be standardised and formalised because its outputs are uncertain and difficult to evaluate. Therefore, this TQM principle cannot be fully implemented without a trust milieu, and people’s commitment – continuance, affective, normative (Allen and Meyer, 1990) – can only be generated and sustained over time by managerial leadership.

Continuous improvement of knowledge, processes, products and services
The continuous improvement principle is the second TQM foundation. First, it could be implemented through the proper allocation of resources and the application of the appropriate quality tools (see Berry, 1991; Galgano, 1993; Kinlaw, 1992; Oakland, 1989; Teboul, 1991). Assessment, reward and recognition systems can also be established to promote effort towards continuous improvement.
However, continuous improvement demands substantial effort and personal commitment. This explains why the individual must be convinced that what is being done is good for him and for others, and also be confident that the results of the improvement will be fairly distributed. One of the springs of this kind of commitment is the ethical dimension of managerial behaviour, something that leadership adds to the pure use of formal power.

The principles presented above share a common feature; from a technical focus, a committed manager is able to implement them through suitable resource allocation and adequate organisational arrangements. However, the scope of these actions is as broad as the organisational control capability, leaving aside what has been traditionally named informal organisation. A “deep” application of these principles requires people commitment beyond what can be objectively evaluated. Likewise, rewards are not often immediate and do not even obey the “cause and effect” mechanical logic between what one does and what one receives. In such situations, trust in the managers’ intentions is essential. If this is not so, organisational members will merely assimilate the evaluation-reward devices and try to get the maximum reward for the minimum effort. Thus, a “deep” implementation of these principles, which penetrates every task and behaviour, demands the presence of a leader with technical and ethical competence to generate trust in the organisation.

Finally, we consider the second subgroup of TQM derived principles: those that are of a behavioural nature (behaviourally derived principles). Because they refer to members’ commitment, shared values and beliefs, we will state that they could not be implemented, even at a minimum level, if leadership and its ethical dimension are lacking. The main reason is that their successful deployment demands changes in peoples’ minds and wills. Therefore, it is easy to infer that in those cases, power or an exclusively managerial technical focus is not a sufficient source of influence.

**Participation and commitment of the organisational members**

It is commonly assumed that the other TQM success key factor – jointly with managerial leadership – is members’ involvement, commitment and participation. Its importance is derived from the fact that it enables a broad decentralisation, the basis on which the firm increases its capability to hold complex and changing environments and also its flexibility (Volberda, 1998; Galbraith, 1993, 1994), a key factor for qualified and creative work development.

This principle is enabled by appropriate reward systems, effective communication of the firm’s goals and the deployment of participation devices. Nevertheless, academics and practitioners acknowledge both the importance of this principle and the difficulty of achieving it (see Crosby, 1979, 1984; Deming, 1986; Juran, 1989). Achieving this adhesion is complex because it does not depend only on the leader but also on the follower, and this requires time since it is founded on trust. Therefore, maintaining it over time demands a sustained effort due to its fragility.

Both obtaining this principle and maintaining it require, as a necessary condition, the presence of leaders who generate adhesion to a mission and vision through their technical ability, their empathy and attractiveness, and their uprightness. Subordinates trust in the manager’s equitable behaviour and in his/her intention to preserve the stakeholders’ interest.

**Cultural change**

Finally, TQM requires a cultural change as a framework to lead behaviour towards continuous improvement, customer satisfaction (including the internal one) or collaboration within and outside the organisation. Indeed, authors such as Peters and Waterman (1982) regard it a necessary condition in order to achieve excellence.

Cultural change, although necessary, is acknowledged to be difficult to achieve (Kanji, 1996) because it implies modifying people’s attitudes and behaviour. In fact, managers name it as one of the sharpest barriers to overcome in TQM implementation (Calingo et al., 1995; Haksever, 1996; Kaye and Dyason, 1998; Kie and Palmer, 1999; Lee and Palmer, 1999; Quazi and Padibjo, 1997, 1998; Srinidhi, 1998). Thus, the main question to be answered is how to achieve the necessary cultural change? Following those who affirm
that culture depends on the context, and taking the firm as a unit of analysis, it could be thought that managers who want to modify the firm’s culture must do so through changes in organisational design. However, Bartlett and Ghoshal (1990) prevent us from this reasoning in two ways. First, changes in organisational design are slow and very costly. Second, the effects of such changes on behaviour are imprecise and their evaluation requires a long period of time. It is therefore necessary to discover other sources of change which are operational, powerful and precise.

It is reasonable to think that people will adhere to a new set of principles if they are sure that the principles will not only enable them to “do” better (technical development), but also to “be” better (human development) (Solomon, 1992). Therefore, it is not possible to bring about substantial changes in the culture of the firm when the ethical dimension of leadership is absent.

To summarise, two sections have been devoted to introducing three groups of principles, in which the importance of the ethical dimension of leadership seems to increase as we move from the first to the third (see Figure 3). Therefore, we can state that leadership, and the moral trust it generates (its ethical dimension), enables a complete, deep and sustainable implementation of TQM systems. Inasmuch as TQM principles constitute a system (Moreno-Luzón, 2000), considering ethical dimension is essential for the fulfilment of TQM philosophy.

Conclusions

Specialised literature unanimously claims the need for managerial commitment and leadership in order to deploy the TQM management philosophy. However, it is difficult to find strong arguments to demonstrate if managerial leadership is just desirable or, on the contrary, it is necessary for a complete, deep and sustainable implementation of TQM principles.

This work discusses theoretical arguments that justify the requirement of leadership for TQM efforts to be sustained. The paper begins by presenting a multidimensional concept of leadership which embraces different scopes that explain the leader-follower relationship. The statement is that the reasons which impel people to follow a leader, can be synthesised in three dimensions: technical; psycho-emotive; and ethical. Leadership is defined as an interpersonal relation of influence which is dynamic and free, goes beyond formal power, and is based on these dimensions.

The main contribution of this proposal is, in the authors’ view, the explicit consideration of the moral dimension in the purposes and actions of the leader. Another contribution is the unitary consideration of the above mentioned three dimensions: the leader is followed because of his/her effectiveness, his/her attractiveness and his/her goodness, three aspects that complement and reinforce each other. Finally, and given the unity of the described dimensions in every leader’s action, it may be claimed that the ethical dimension becomes a necessary condition for “sustaining” the leader’s influence. Without moral trust, based on the confidence that leader intentions and actions fairly consider all the stakeholders and their personal development, leadership can no longer remain. The discussion presented allows a first proposition:

\[ P1 \]. The leader-follower relationship is based on the followers’ perception that they can trust in the leader’s knowledge, and also on proper resource allocation. The distinction permits a second proposition to be established:

\[ P2 \]. The implementation of TQM driver principles (like conformance to standards, management by process,
fact-based management and training) depends mainly on management technical expertise and proper resource allocation.

A second group of principles, labelled derived principles, includes those whose implementation does not depend only on managerial will, but also on workers’ discretionary efforts. This group could be divided into two subgroups, the first which could be labelled socio-technical derived principles, and includes customer satisfaction, co-operation with customers and suppliers, internal cooperation and continuous improvement. Those principles are double-faced; one has to do with the formal organisation and requires the design and deployment of proper organisational arrangements. But, in addition, these principles have a behavioural side, which goes beyond what can be monitored and controlled, which falls in the informal organisation and depends on the workers’ discretionary effort, their own will. Then it could be stated that the deep and sustainable implementation of these principles needs commitment and a new culture that is enabled by the figure of a leader and his/her three dimensions.

**P3.** TQM principles, which have to do with customer focus and cooperation (that which goes beyond what can be monitored and assessed), and its sustainability, is enabled by the presence of a leader who develops trust in the rightness and goodness of his last intentions.

A second subgroup of derived principles, labelled behaviourally derived principles, would include workers’ participation and commitment, and cultural change. Because these principles refer to beliefs and values, their implementation depends equally on managerial and workers’ free will. In this case, the influence of leadership and its ethical dimension is essential. The accomplishment of these principles is outstanding because they create a framework for the complete, deep
and sustainable implementation of other TQM principles. A fifth proposition could be set up. 

P5. The sustainable implementation of TQM principles, like workers’ commitment and cultural change requires the presence of a leader who develops trust in the rightness and goodness of his last intentions. The importance of the ethical dimension of leadership seems to increase as we move from the technical to the behavioural dimension. As far as the adherence to the principles depends mostly on the followers’ will, they are not the consequence of blind obedience to formal power (orders, norms, rules, ...), but the intentional and personal action of committed people, which requires trust (technical, psycho-emotive and moral). Moral trust appears then as a condition for a deep and broad implementation of TQM principles and, more important, for their sustainability.

Implications for practitioners are important. Companies trying to implement TQM philosophy should specifically consider this ethical dimension. Firms will contribute to implementing all the TQM principles better by building moral trust in their managers’ behaviour. Thus, ethical policies, like written ethical statements, training courses or self-assessment activities can become useful tools to contributing to improved moral trust[10] in managerial practices. A good ethical climate, with the efficient and attractive use of power, will allow creating a common project. However, it is necessary to remember that the use of ethical policies would be useless without veracity in managerial intentions and in the TQM implementation process.

Finally, an increasing research effort is necessary on various fronts. First, to verify the theoretical propositions of this paper, empirical works should be done. Second, it is necessary to develop tools oriented to assess the leader-follower relationship in its different dimensions. In addition, it would be helpful to identify what kind of actions management can take in order to improve and reinforce each of the leadership dimensions. Finally, since this paper also deals with the leader-follower relationship from the leader’s perspective, studies are required to explore this relationship from the follower’s side.

Notes

1 These concepts are similar to those of continuance commitment (the source of this commitment is the cost of being fired), affective commitment (the commitment rooted in feelings) and normative commitment (which is of a moral nature), reported by Allen and Meyer (1990).
2 This paragraph is rooted in the framework proposed by Moreno-Luzon et al. (2000, Ch. 3).
3 We want to emphasize the similarity between the leadership dimensions that this paper defends and the three kinds of commitment proposed by Allen and Meyer (1990).
4 “Complete” means a TQM system with all the principles completely deployed.
5 By “deep” implementation, as was explained in the introduction of the paper, we understand that which goes beyond the change of formal arrangements and penetrates feelings and values.
6 “Sustainable” implementation as that which lasts a long time.
7 These authors, in a series of surveys, study the motives, barriers, enablers, expected results and perceived results among 3,000 Spanish companies that have obtained ISO 9000 certificates. They found that lack of trust is one of the most important barriers to a participative design and implementation of procedures and standards.
8 It could be labelled normative commitment in Allen and Meyer (1990) terminology.
9 Although in this paper we refer to the influence exercised by the leader over others, we should not forget that this is an inter-personal relationship in which the motivational quality of followers is also important. Not only the leader counts, not only the moral dimension of his/her behaviour is important, but also that of the other members of the organization.

References


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Commentary
Leadership without ethics is not leadership …