Entrepreneurial Orientation and Total Quality Management: Evidence from an Automobile Sensor Manufacturing Organization

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Abstract

Entrepreneurship plays an important role in today’s dynamic business world. One of the key factors of achieving organizational success is the application of Total Quality Management (TQM). In particular, this study examines; (i) what entrepreneurial characteristics support the implementation of TQM best practices and (ii) how entrepreneurs implement TQM best practices. The study examines the proposed research objectives by referring to the case organization of Lanka Harness Limited, an automobile seatbelt sensor switches and harness manufacturing organization for world’s leading automobile brands.

Training, inculcating a quality culture, trust culture coupled with Toyota Production Quality Management System resulting a unique Lanka Harness System, adopting lean manufacturing techniques developed by Japanese quality systems were recognized as how entrepreneurs implement TQM best practices. Therefore, this study contributes to expand the organization adheres to strict quality standards where the defect tolerance rate is one part per million (1 ppm) outputs. The case organization has no competitors thus making it a unique organization that has achieved the highest quality standards. The boundaries of knowledge pertaining to entrepreneurial