

# A New Management Theory: A Review of Social Quality Management in China

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**Abstract:** This paper introduces the progress in the study of social quality management in China, reviews the historical process of the emergence and development of the concepts and ideas of China's social quality management, analyzes the essential connotation of social quality management, probes into that the social quality management theory is scientific and inevitability, finally points out the research emphasis of the social quality management in the future.

## 1. Introduction

Since entering the 21st century, great changes have taken place in the world's science and technology, economic environment and enterprise competition. In recent years, new technological revolutions, such as big data, block chain, artificial intelligence, cloud computing and 5G communications, have posed severe challenges to the development and survival of enterprises, and the changing external competitive environment has put forward the demands for changes in enterprise management.

On the other hand, the role relationship between the managed and the manager in the enterprise is also different from the past. Employees are more pursuing the realization of interest fairness, self-development and self-value than before. Thirdly, the role of enterprises in society is also endowed with more social responsibility requirements, such as environmental protection, sustainable development, business ethics and integrity.

To sum up, the managers of enterprises are also deeply aware of the challenges posed to enterprises by changes in the external environment. The internal management efficiency is reduced and the management effect is not satisfactory. In fact, most enterprises still use the traditional management theories and ideas of the past twenty or thirty years ago. Objectively, the innovation of enterprise management idea and management method has become a very urgent practical problem. China began to implement the policy of reform and opening up in the 1980s. With the introduction of new technologies and new management, China's economy has advanced by leaps and bounds, while enterprise management has also made significant progress. With the process of China's economic modernization, China's enterprise management is also exploring the new management theories which is suitable for its national conditions and characteristics.

This paper introduces a new management theory: social quality management theory, and introduces its latest research progress in China. The concept of social quality management originated from the management practice in China. It was put forward in the 1980s, and has been increasingly recognized and studied in China since then.

## 2. The Emergence and Development of Chinese Social Quality Management Thought

The concept of social quality management was first proposed by Chinese scholars in 1985<sup>[1]</sup>. At that time, China had already implemented the reform and opening-up policy and introduced western TQM technology. TQM promotes the progress of Quality management in China, and we realize that quality and quality management is not only an internal matter of enterprises, but also needs the participation of enterprises outside, the government, industry and media, the public should be an

indispensable component of quality management. At that time, the concept of social quality management mainly emphasized the expansion of the scope of quality management participants.

Since then, the concept of social quality management has been constantly affirmed in China. Other scholars have come up with similar concepts. For example: the whole society quality management<sup>[2]</sup>, societal quality management, macro quality management, social quality management stage and so on<sup>[3]</sup>.

The stage of social quality management was put forward around 2000. In the stage of social quality management, the diversity of quality management participants and the extensibility of quality management objects are emphasized, and the quality is endowed with more characteristics. For example: undertake environmental protection responsibility, legal responsibility, responsibility to the public and so on<sup>[4]</sup>. The concept of social quality management stage indicates that Chinese quality researchers believe that social quality management is a new development of total quality management theory, which represents a new stage and a new development direction of quality management theory.

The theory of macro quality management put forward by Chinese scholars emphasizes the functions of government quality management, industry quality management and social quality management.

There are hundreds of academic papers and monographs citing "social quality management" and "social quality management stage" through the Chinese knowledge meta-database - Duxiu search, which shows that social quality management has been widely concerned in the academic field.

The author focuses on the research and exploration of social quality management from the 21st century. I define the connotation of the concept of social quality as: to meet social needs. This is a revolutionary evolution from the current international definition of quality as satisfying customer needs. This evolution is a new understanding of the concept of mass, and a whole new idea. That will lead people to further explore and think about quality management and even general management theory

### **3. The Ideological Connotation of Social Quality Management**

I now give a definition of social quality management: to organizations as the main body, based on the requirement of the society, to meet the needs of social development and progress, by including all of the parties: the government, industry and the public participation, through its products and services, The aim is to achieve customer satisfaction and all other related the interests of the members of society, the sustainable development of a management activities.<sup>[5]</sup>

Social quality is defined as the ability of products and services to meet social needs.

The above definition breaks through the current theoretical thought of total quality management, and its connotation has undergone profound changes in many aspects, mainly reflected in the following aspects:

#### **3.1. The objectives of quality management have changed**

The ultimate goal of social quality management is to meet social needs, rather than to meet customer needs as the goal, to meet customer needs is only a part of social needs; Social needs also include the protection of the ecological environment on which human beings rely for survival by economic development, the sustainable use of natural resources, and the social responsibilities of stakeholders except corporate customers, etc. Corporate social responsibility theory has become an important theoretical basis to guide enterprises to achieve business objectives.<sup>[6]</sup>

#### **3.2. The implementation subject of quality management has changed**

In the practice of total quality management (TQM), the implementation subject of quality management is mainly centered on specific organizations. While social quality management thought, the organization in order to meet the needs of the society, cannot leave the other social organizations to participate and independent to carry out effective quality management activities, specific organizations must see themselves as a component part of the whole social system, and the

government supervision, social interests to form a harmonious coexistence relations. In the stage of social quality management, in addition to the enterprise organizations, the government, industry organizations and other social groups will play an irreplaceable role in the implementation of quality management, all parties of social participation forces to participate in the joint participation, mutual cooperation, each shoulder their own responsibilities to undertake the function of social quality management.

### **3.3. The scope of quality management has changed**

Effective quality management activities not only require enterprises to have a good understanding of the quality requirements of customers, but also require organizations to have a correct grasp of the social characteristics of quality.<sup>[7]</sup> The social characteristics of quality do not depend on the understanding of the enterprise itself, but are the requirements put forward by relevant parties and government organizations for the products and services of the enterprise. Such requirements are not conditional on the understanding of the enterprise itself. Therefore, social collaboration becomes the most effective way to effectively carry out social quality management.

### **3.4. The quality management approach will change**

With the change of the implementation subject, fundamental purpose and behavior mode of quality management, how to effectively use enterprise resources and maintain the efficiency of enterprise management through the corresponding management approach has become a new topic facing enterprises. This inevitably requires a revolutionary change in the way enterprises are managed. These changes may include :(1) the quality goal of combining social interests and customer satisfaction; (2) The coordination mechanism between internal and external organizations; (3) Innovation of management technology; (4) Formation of new quality system.

At present, the research of social quality management in China mainly focuses on the research of the thought of social quality management. The specific management methods and enterprise application practice of social quality management have not been successful precedent and need to be further explored in the future. The idea of social quality management will certainly guide people's action on management practice.

## **4. Future Research Direction**

Based on SQM (Social Quality Management) thought's new requirements for enterprise management reform, I think the method innovation of social quality management can be carried out from the following aspects, including but not limited to: enterprise organization theory, incentive theory, cost theory and performance evaluation.

### **4.1. Research on organization theory based on SQM**

On the basis of the existing flat organization theory, learning organization and project organization, it should be suggested to explore the innovation mode of organization theory based on SQM.

### **4.2. Incentive theory research based on SQM**

Based on the existing Maslow's demand theory, it should be suggested to explore the demand incentive theory of the trinity of social demand, enterprise demand and employee demand.

### **4.3. Cost theory research based on SQM**

Combined with modern accounting and financial system, quality cost theory, activity-based costing, project cost theory, it should be suggested to explore the best management approach to achieve economic goals.

### **4.4. Research on SQM performance evaluation**

It should be advised to study the evaluation model of organization excellence based on SQM

The theoretical basis of SQM includes: corporate social responsibility theory, stakeholder theory, corporate ethics, etc.

## 5. Summary and Outlook

The concept and thought of social quality management were born and developed in China. Although this is a management exploration of China, China's rapid economic development in the past decades has been recognized by the world, and Chinese enterprises have been integrated into the global business environment. In this sense, China's management theory innovation must have a worldly significance.

The sustained and rapid growth of The Chinese economy is due to the growth of Chinese enterprises, which is not only the performance of the technological progress of Chinese enterprises, but also the result of the improvement of Chinese enterprises' management.

As a new management thought and philosophy, social quality management not only provides a new research topic for the development of quality management theory, but also provides a research direction for the innovation of general management theory. We think social quality management will make a positive contribution to the innovation and development of general management theory. Social quality management is likely to explore new management methods in organizational theory, incentive theory, cost management, performance evaluation and other aspects, and achieve research results.

In addition to China, the international quality management and management theory innovation voice has always existed. According to literature search, American scholars put forward the term of social quality management in their paper on quality research in 2015<sup>[8]</sup>, and Korean experts also put forward the keyword of social quality management in their paper on quality research in 2018<sup>[9]</sup>. This shows the correctness of the concept and research direction of social quality management. We hope that social quality management can be discussed and studied in more countries and regions in the future.

Social quality as an academic concept and philosophical thought, it is not only the discovery of quality management scholars, he has also been proposed and discovered by researchers in other fields. Social quality has more general theoretical adaptability and guiding significance. The explanation is as follows:

(1) At the end of the 20th century, European sociologists put forward the concept of social quality in their research field, which evolved into the theory of social quality. Social quality theory is now not only in Europe, but also spread to Asia and other parts of the world, has been very widely recognized, has become an influential social management theory. Although sociologists and management scientists have different research objects and perspectives, they still share common theoretical ideas.

(2) In marketing, the concept of social marketing has been put forward, emphasizing the consideration of corporate profits, consumer interests and social interests. From the perspective of marketing management, the concept of social marketing expands the responsibility of enterprises from the scope of customers and consumers to the interests of the public, which also emphasizes the social responsibility of enterprises and the social attributes of enterprises to provide products, services and purposes.

In recent years, Swedish quality scholars and researchers have proposed a fifth generation of quality - the sustainability model from the perspective of societal satisfaction,<sup>[10]</sup> and put forward the 2030 Quality Plan to guide the future development of quality management.<sup>[11]</sup> The view of Swedish scholars is a new development of the theory of total quality management.

Social quality management is not only the theoretical innovation of quality management, but also has the significance of general management theory innovation. It shall guide us to the in-depth study of general management theory, which can be predicted to bring a new revolution of management theory in the future.

As mentioned in this paper, the further research and practice of social quality management is not

only the efforts for researchers, but also requires the understanding, recognition and participation of governments, industries and enterprises, as well as international exchanges and cooperation. At present, social quality management in China is still in the initial stage of research, we will continue to make efforts in this aspect. We would like to introduce the latest progress and situation of China's research on social quality management to international counterparts and share our research results with you. At the same time, we are looking forward to listening to the voice of our international counterparts and further expanding international exchanges and cooperation.

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