



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2016; 2(4): 768-771
www.allresearchjournal.com
Received: 09-02-2016
Accepted: 17-03-2016

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Total quality management practices and work related performance

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Abstract

The objective of paper is to inspect the total quality management (TQM) practices specifically “customer focus”, “training & education” and “empowerment and teamwork” on employees’ job performance. The paper put forwards and tests hypotheses on the impact of total quality management (TQM) practices on employees’ job performance. Data is collected from 132 middle and lower level employees working in BPO sector at Chandigarh, India. The correlation and multiple regressions tests are applied for analysis purpose. The results show that “empowerment and teamwork”, and “training & education” have a significant and positive impact on job performance. “Customer focus” has a significant and positive impact on job involvement but does not significantly enhance job performance. Management should pay attention towards economic considerations (compensation and retirement benefits), occupational and family considerations (professional growth, recognition, job satisfaction, advancement opportunities etc.) of employees to enhance their career satisfaction.

Keyword: Total quality management, customer focus, training & education, empowerment and teamwork, and job performance

Introduction

Total quality management (TQM) is a management philosophy, dispersed globally, with the aim of upgrading the operative and business performance of the organizations by offering a structured outlook to frequently enhance the operative activities to constantly fulfil customers’ requirements (Agus, 2005 & Powell, 1995) ^[1, 14]. TQM focuses both on the quality of products and the quality of employees as well. The employees are most significant assets in committing their effort of attaining the extraordinary level of quality product and services. Moreover, many of the basic elements of TQM deal with people such as teamwork, creativity, innovation, extensive training, high level of communication, employee and management trust, and quicker decision making. Without their honest self-scrutiny and purposeful analysis, and without their commitment towards common goals, organizations might fail to achieve its objectives. Luthans (1995) ^[10] summarized TQM as being a participative system that empowers all employees to take responsibility for improving quality within the organization. The companies which are using TQM practices make improvements in employee satisfaction, attendance, turnover, safety, and health. In such organizations, TQM practices focuses on training, quality control, benchmarking, empowerment, teamwork, continuous improvement, customer focus, problem prevention etc. have its own importance. When fully implemented, TQM brings laurels to organizations in terms of quality, productivity, and employee development through improved teamwork, innovation, training, communication and decision making.

TQM practices, specifically, customer focus, training and education, empowerment and teamwork are taken into consideration deliberation in the current study. Customer focus includes attention on customer requirements and customer satisfaction to define product and service quality (customer defined quality); emphasis on customer service (lead time reduction, on-time delivery, field support, technical support, etc.); integration of customer information into the management and improvement systems-particularly into the new product development process, the production and service quality control and improvement processes and efforts to become integrated with customers as appropriate (often called partnering) such as joint improvement teams, participation in the customer’s new product

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development processes, or involving customers in the company's internal processes, such as planning, new product development, R&D, or technology forecasting. Training and education is recognized as a critical component of workforce management when implementing significant changes in an organization. If it is to be effective, i.e. transform employees into creative problem solvers, training in quality-related issues should emphasize problem solving in small groups, effective communication, and statistical process control. Empowerment and teamwork, empowerment may be described as a means to enable employees to make decisions. Empowerment is one of the important construct of TQM. It increases employee involvement in design and planning, and greater autonomy in decision-making. Teamwork practices include identifying the needs of all groups and organizations involved in decision making, trying to find solutions that will benefit everyone involved, and sharing responsibility and credit. Often such practices are promoted by forming teams like cross-functional problem-solving teams that draw together various organizational units. The impact of total quality management (TQM) practices specifically, "customer focus", "training and education" and "empowerment and teamwork" is studied on employees' performance in the study. TQM practices layout a helpful managerial environment that enhances employee motivation and the successful accomplishment of goals. They encourage employees to achieve their career goals by utilizing their skills and abilities to improve the quality of their work.

Review of Literature

Lawler (1994) ^[9] found that it was common for a TQM program to state that employee involvement was very important for its success. The features generally associated with TQM such as quality training, process improvement, and benchmarking do not generally produce advantage, but certain tacit, behavioural, imperfectly imitable features-such as open culture, employee empowerment, and executive commitment-can produce advantage and the organizations that acquired them can outperform competitors with or without the accompanying TQM ideology concluded by Powell (1995) ^[14]. Lam (1995) ^[8] conducted the study to investigate the perceived impact of total quality management programmes on job satisfaction on 220 front-line supervisors in Hong Kong using the job descriptive index and it was found that the respondents were much less satisfied with the work dimensions than with other Job Diagnostic survey dimensions such as supervision and co-workers and TQM programmes seemed to have no impact on pay and promotion.

Guimaraes (1996) ^[3] found that employee empowerment, team work & cooperation, organizational culture and communication were positively associated with employees' job satisfaction. The implementation of TQM principles namely customer focus, continuous improvement, and teamwork made a significant impact on work-related outcomes including job satisfaction, communication, and perceptions of the work environment suggested by Morrow (1996) ^[12]. TQM practices such as leadership, management of people and customer focus were the strongest significant predictors of operational performance (Samson & Terziovski, 1998) ^[16]. The performance measured by both accounting variables and stock returns, was improved for the firms adopting TQM and the improvements were consistently stronger for firms with more advanced TQM systems (Easton & Jarrell, 1998) ^[2]. There was positive correlation between top management leadership, employee

empowerment, job satisfaction, and customer satisfaction (Ugboro & Obeng, 2000) ^[17].

The infrastructural TQM practices such as top management leadership, training, and employee relations affected the performance through core TQM practices such as quality data and reporting, supplier quality management, product/service design, and process management (Kaynak, 2002) ^[7]. Noorliza & Asaari (2003) ^[13] concluded that the organizations implementing some degree of continuous improvement and problem prevention experienced some positive impact on employees' job satisfaction and organizational commitment whereas continuous improvement and problem prevention lacked significant relationship with job involvement and career satisfaction. The relationship between total quality management practices and organizational culture were examined with the purpose of identifying the particular cultures that determine the successful implementation of TQM practices from 194 organizations in Australia and found that different subsets of TQM practices were determined by different types of cultures (Prajogo & McDermott, 2005) ^[15]. TQM substantially increased customer satisfaction across diverse industrial and cultural settings (Mehra & Ranganathan, 2008) ^[11]. The employee involvement was a major focus of the company when TQM was first implemented (Welikala & Sohal, 2008) ^[18].

The high senior management commitment, high staff commitment, high stakeholder focus, high integration of continuous improvement, high quality culture, high measurement and feedback, and high learning organization characteristics as TQM practices of the hospital were identified and found that the supportive culture of the hospital had positively impacted on its TQM practices (Kaluarachchi, 2009) ^[5]. Jain (2010) ^[4] concluded that the employee empowerment, team work & cooperation, organizational culture and communication were positively associated with employees' job satisfaction and made a significant contribution in the implementation of TQM practices in software industry.

Methodology

The present study examines the impact of TQM practices namely customer focus, training and education, empowerment and teamwork on employees' job performance. The independent variable in the study is TQM practices. The five-point likert-type scale for measuring the TQM practices is adapted from Powell (1995) ^[14]. The dependent variables in the study are Employees' Job performance. Job performance is measured on five-point likert-type scale ranging from "very low" to "very high" given by Kanungo, 1982. Of the 170 questionnaires distributed to the employees, 132 responded, giving a response rate of 78 percent. The data is collected from middle and lower level employees namely Quality analyst, Quality analyst leader and Team leader working in three organizations of BPO sector at Chandigarh, India.

Hypotheses

- H1: TQM practices have a significant relation with "job performance".
- H1₁: "Customer focus" has a significant relation with "job performance".
- H1₂: "Training and education" has a significant relation with "job performance".
- H1₃: "Empowerment and teamwork" has a significant relation with "job performance".

For the purpose of analyzing the data, the reliability of standardized scales used in the study was measured. Correlation and multiple regression analysis were used to determine the relationship between TQM practices and employees' job performance and also to study the impact of independent variables on dependent variable.

Findings

A profile of respondents is presented in Table 1. There are almost equal numbers of male and female respondents in the sample. Most of the respondents are unmarried (73 percent). The majority of respondents are graduates (81 percent). Almost two-third (60.6 percent) of respondents has working experience of less than 5 years. 34.1 percent of the respondents are in the age group of 25-29 years.

Table 1: Respondents' Profile

Variables	Category	Frequency	Percentage
Gender	Male	68	52
	Female	64	48
Marital Status	Married	59	44
	Single	73	56
Age (years)	Less than 25	38	28.7
	25-29	59	44.6
	30-34	27	20.4
	35-40	5	3.78
Education	More than 40	3	2.7
	Graduate	81	61.3
	Post Graduate	35	26.5
Work Experience with current organization (years)	Others	16	12.1
	Less than 5	80	60.6
	5-9	40	30.3
	10-15	9	6.8
Organization	More than 15	3	2.7
	A	45	34.1
	B	43	32.6
	C	39	29.5

The reliability analysis is summarized in Table 2. The Cronbach's alpha for all variables are above the minimum of 0.5 (indicating that these measures are reliable for the study).

Table 2: Reliability analysis

Variables	Cronbach's Alpha
Customer focus	0.703
Training and Education	0.781
Empowerment and Teamwork	0.724
Job Performance	0.878

The standard deviations for independent and dependent variables are quite low indicating that dispersion is not widely spread (according to a normal distribution) as presented in Table 3. Customer focus has highest mean value of 3.72 with S.D. of 0.41 and Career Satisfaction has lowest mean value of 2.93 with S.D. of 0.53

Table 3: Data presentation

Label	Mean	S.D.
Customer focus	3.72	0.41
Training and Education	3.42	0.28
Empowerment and Teamwork	3.56	0.52
Job Performance	2.93	0.53

Table 4 represents the correlation between TQM practices & Employees' Job performance and depicts that there is a positive and significant relationship between the "customer focus" and "job performance" with a coefficient of

correlation, $r = .461$ and significance value, $p (.000)$ less than .01 at 1% significance level; "training and education" and "job performance" with $r = .622$ and p value (.000) less than .01 at 1% significance level; "empowerment and teamwork" and "job performance" with $r = .590$ and p value (.000) less than .01 at 1% significance level. Hence, findings support the hypotheses: $H1_1$, $H1_2$ and $H1_3$.

Table 4: Pearson's Correlation coefficient

Variables	Job Performance
Customer Focus	$r = .461^*$ $p = .000$
Training & Education	$r = .622^*$ $p = .000$
Empowerment & Teamwork	$r = .590^*$ $p = .000$

*Correlation is significant at .05 level and .01 level, r =correlation coefficient, p =significance value, $N = 132$.

To gain further insights into the relationship between three TQM practices and the dependent variable, Stepwise Multiple Regression Analysis is performed on the data which focuses on picking up the best set of predictor variables in determining the statistical significance of their prediction of criterion variables.

Table 5 presents Regression line of Job performance on the three TQM practices namely "customer focus", "training and education" and "empowerment and teamwork" as perceived by the employees is:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y = -.350 + 0.199X_1 + 0.286X_2 + 0.483X_3 + e$$

Where Y is Job performance and X_1, X_2, X_3 are the three TQM practices namely "customer focus", "training and education" and "empowerment and teamwork" and e is error term.

From the above equation, by applying backward stepwise multiple regressions it is evident that all TQM practices have their significance values (p) i.e. "customer focus" ($p = .004$), "training and education" ($p = .000$) and "empowerment and teamwork" ($p = .000$) less than 0.05

Table 5: Stepwise multiple regression for the criterion variable-job performance

Model	Variables	R ²	Adj. R ²	ANOVA F	Sig.	Beta	t - value	Sig.
1	Customer Focus	.630	.627	39.23	.000	.189	4.216	.004
	Training & Education					.386	2.196	.000
	Empowerment & Teamwork					.634	6.419	.000
	Constant					.413	-4.17	.198

at 5% level of significance which means that the predictor i.e. all TQM practices are making a significant contribution to the model. The coefficient of determination, R^2 , is 63 percent. This indicates that all TQM practices ("customer focus", "training and education" and "empowerment and teamwork") explained 53 percent of the variance in "job involvement". The F statistic ($F = 39.23, p = .000$) is significant at 5% significance level which means that model is significantly better at predicting the outcome i.e. Job performance. The most important TQM practice in explaining variance with respect to "job performance" is "empowerment and teamwork", significant at 5% significance level which indicates that as "empowerment and teamwork" increases by one unit, job performance will increase by .634 units.

Conclusion

On the basis of correlation analysis, “customer focus”, “training and education” and “empowerment and teamwork” are positively correlated with employees’ job performance. Employees’ job performance will increase as TQM practices increases. So, Human resource departments should review and enhance the motivation, training and retention of employees to support the concept of TQM. The most important TQM practice with respect to “job performance” was “empowerment and teamwork”. Hence, managers should train employees with respect to “empowerment and teamwork” and employees should feel free to control and manage their own work areas. They should have influence over decisions and have greater opportunity to show initiative in providing quality products and services to the customers. “Training and education” has a positive impact on job performance. The greater the extent of ongoing training and education in an organization, the greater will be the employees’ job involvement and job satisfaction. Training departments must provide continuous training and education to the employees. Customer focus” has a significant and positive impact on job involvement but does not significantly enhance job performance. This suggests that management has failed to communicate its commitment to this important practice. This might be due to the lack of an established support relationship between employees and customers. Organizations should pay more attention to customer feedback and complaints. Management should pay attention towards economic considerations (compensation and retirement benefits), occupational and family considerations (professional growth, recognition, job satisfaction, advancement opportunities etc.) of employees. The TQM practices, specifically, customer focus, training and education, and empowerment and teamwork are positively correlated with employees’ job performance, job satisfaction and career satisfaction. TQM practices encourage employees’ performance, promote empowerment, and recognize that employees play an important role in achieving the objectives of an organization. Organizations should be committed to TQM practices and their successful implementation.

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