

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Total Quality Management, herein after referred to as (TQM) has become a world-wide topic in the twenty-first century. Having its roots partly in the USA and partly in Japan, it was primarily implemented by some Japanese companies in the years immediately after world war II with greater successes of Japanese companies during the 1980s.

Companies all over the world found that it was necessary to have good quality management practices in order to stay competitive (Lagrosen, 2002).

Sila (2007), claimed that TQM will help in improving the quality of products and also reduce the unwanted product to safeguard stock by establishing a stable production process. He argued that TQM will reduce the cost of production and time of production. In other words, TQM is a philosophy for managing an organization in a way, which enables it to meet stakeholders need and expectations efficiently and effectively without compromising ethical values (ISO, 8404, 1994). TQM has been widely implemented throughout the world. Many firms have arrived at the conclusion that effective TQM implementation can improve their competitive abilities and provide strategic advantages in the market place. (Anderson, Fornell and Lehmann, 1994).

Total Quality Management (TQM) is a philosophy and a set of guiding principles that represent the foundation of an excellent organisation and to ensure survival of industrial organisations in the competitive economy of today (Besterfield, 1999).

Total Quality Management is a technique that underscores the continuous improvement of product and service quality to satisfy customers and enhance productivity. The emergence of Total Quality Management has been one of the most significant developments in the United State of management practice.

The focus on the development of TQM systems in the U.S seems to have commenced around 1980, in response to Global competition and stiff rivalry in the U.S manufacturing subsector arising from Japan (Easton and Jarrell, 1998).

The implementation of TQM ensures that organisations change how they perform activities so as to eliminate inefficiency, improve customer satisfaction and achieve the best practice (Porter, 1996). Porter noted that constant improvement in the effectiveness of operation is essential but not a sufficient factor for organisation to be profitable.

Researchers have also reported that TQM implementation has led to improvements in quality, productivity and competitiveness in only 20 - 30% of the firms that have implemented it. (Benson, 1993).

According to several manufacturing firms, the benefits of TQM have improved quality, employee participation, teamwork, working relationship, customer satisfaction, employee, satisfaction, productivity, communication, profitability and market share. (Dale, Zairi, Vanfder Wiele and Williams, 2000).

Therefore, this study will seek to investigate the effects of TQM on an organisation's performance and make appropriate recommendations.

1.2 Statement of the Problem

Nigeria organizations like the banking industry is losing huge sum of money annually through non implementation of TQM. Total Quality Management simplifies cost effective system and processes that reduces overhead and improves performance. Total Quality Management streamlines cost effective system and process that reduces overhead and improves performance. There is need to sensitize Nigerian organizations on the benefits of implementing TQM. Most Nigerian organizations perform badly because of non implementation of TQM. They are ignorant of implementing this worthy programme, and this is why they are not reaping the benefits of TQM, which includes cost reduction, failing rate reduction, quality improvement etc.

This study therefore, seeks to determine the effects of TQM practices on organizational performance in corporate entities like lagos using SystemSpecs Ltd.

1.3 Objectives of the Study

The general objective of the study is to ascertain the Effect of Total Quality Management Practices on Organizational Performance.

The specific objectives are:-

- To determine the effect of TQM in attaining superior corporate performance by the organizations.
- To ascertain the level of managements involvement in TQM implementation.
- To access the effect of employee training in the achievement of quality.

1.4 Research Questions

For this study, the following research questions are imperative:

- How has the application of TQM on SystemSpecs being able to sustain superior Corporate Performance?
- How does top management involvement in TQM implementation affect performance in SystemSpecs Ltd?
- To what extent does training and development improve employees' performance?

1.5 Research Hypotheses

- Ho: There is no significant relationship between TQM and attainment of superior corporate performance at system specs Ltd.
Hi: There is significant relationship between TQM and attainment of superior corporate performance at system specs Ltd.
- Ho: Top management involvement in TQM implementation has no effect on performance in system specs Ltd.
Hi: Top management involvement in TQM implementation has effect performance in Systems Specs Ltd.
- Ho: Training and development improves employee's performance.
Hi: Training and development does not improve employee's performance.

1.6 Scope of the Study

The scope of this study will be limited to operational performance of Systems Specs Ltd.

Furthermore, this study specifically focuses on three core practices of TQM, namely; top management commitment, customer focus and employee involvement, with a view to finding out the level of success recorded in the organization as a result of total quality management (TQM) implementation.

1.7 Significance of the study

Total quality management (TQM) is significant in the aspect of purchasing, manufacturing, product service and marketing. It will aid as reference on the performance of key players in the technology sub-sector of Nigerian economy.

This study is significant in many aspects as an academic exercise to enhance knowledge in the area of employer and employee commitment to meet up with the customer's need in product and service delivery.

Finally, it will serve as guide to researchers in this field of study in the nearest future and also guide them on total quality management (TQM), and how it can enhance organizational performance.

1.8 Operational definition of terms

- **Total Quality Management:** TQM is a philosophy and a set of guiding principles that represent the foundation of an excellent organization and to ensure survival of industrial organisations in the competitive economy of today. (Besterfield, 1999).
- **Quality Control:** Quality control is the regulatory process through which we measure the actual quality performance, compare it with standards, and act on the difference. It is a more sophisticated management tool which aims at preventing goods and services which do not conform to basic requirements from getting to the final consumer. (Juran, 1988).
- **Quality Assurance:** Quality assurance is prevention of quality problems through planned and systematic activities, which include documentation. (Oakland, 1995).

- **Customer Focus:** TQM is an ideology which is focused on the satisfaction of customer's need. Thus, most organisations try as much as possible to meet or exceed customer's expectation in their daily activity and also their long term plan (Andrle, 1994).

1.9 Brief history of SystemSpecs Ltd

System Specs was founded in 1991 by Mr. John Obaro. It is a private limited liability. It is known for online payments and financial services. However, It was then more like a "Business to Business" (B2B), company selling software to organizations. SystemSpecs started as a 5-man partner agent and Value added reseller for SunSystems, an accounting package developed by Systems Union, UK, (now Infor). The indigenous company developed HumanManager, a payroll Human Resource Management and goal management software package. This was developed with object-oriented.

OPERATIONS OF SYSTEM SPECS

SystemSpecs services include: Payment service provider, and Payment gateway; While there product includes: Remita, HumanManager, Infor FMS, SunSystems, and Infor PM.

Remita is one of the most popular products by SystemSpecs. It is an e-payments and e-collections platform developed by SystemSpecs Limited. Remita, a Central Bank of Nigeria (CBN) licensed platform, is developed in Nigeria and helps organizations and individuals receive and make payments. The software, which has become the flagship creation of the company, is used by the Central Bank of Nigeria for payment and collections of funds on behalf of the Federal Government of Nigeria for the treasury single account (TSA). It is also used by all 22 commercial banks and over 400 micro finance banks in Nigeria. Through TSA, the Nigerian government was reported to have saved "trillions of naira usually lost to corruption because of the opaque nature of government accounting." SystemSpecs released the Remita Mobile Application in March 2017.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter is divided into three segments, Viz: Conceptual framework, Theoretical framework and Empirical framework. Since the research is more concerned about the effects of TQM on organization performance and how it is been assessed by the organization and the customers.

2.1 CONCEPTUAL CLARIFICATIONS

2.1.1 CONCEPT OF TOTAL QUALITY MANAGEMENT

According to Hinton and Schaeffer (1999), TQM is a disciplined approach to possess the attention and actions of organizational members on task towards providing greater customer satisfaction. This stresses that all efforts of employees and management of organizations must have the customer in focus.

According to Ross (1995), TQM means thinking about quality with respect to all functions of the enterprise. It is a system's approach that considers every interaction among the elements of the organization.

Total quality management is a proactive and prevention-based approach that focuses on organizational members and processes with customer driven leadership (Arora, 2006).

Jarrel and Easton (1998) contend that what constitutes total quality management is a subject of debate. However, management scholars articulate that total quality management consists of process focus, systematic improvement, companywide emphasis, customer focus, management by fact, employee involvement and development, cross functional management, supplier performance and supplier relationship, and recognition of TQM as a continuous competitive strategy.

Organization that adopts Total Quality Management strategy views employees as an internal customer, and they see a chain of customers in the production / delivery system. A manager is viewed as a customer when an accountant

prepares sales report for him. The manager will use the information to make decision that will be useful to the external customers who buy the company's products. Every worker in the organization should contribute to quality improvement and satisfaction of customers requirements (Wheelen and Hunger, 2006).

Furthermore, in order for TQM programs to be effective, employees should know exactly who is their customer, and what internal output and external output customer need. It is crucial to know how customers perceive their needs as being met. As an organizational philosophy and long-term strategy, it requires dedication in meeting customers' needs and expectations, and these includes, preventing and correcting defects, continuous improvements on quality of goods and services; designing quality services and products and fewer delays (Lindsay and Patrick, 1996).

Total Quality Management program involves change in organizational culture and this requires strong leadership from top management, lower level employee empowerment and employee training. Total Quality Management emphasizes prevention and correction. Quality inspection still takes place, but emphasis is on process improvement to prevent errors and deficiencies. Quality improvement team are formed to discover problems and suggest solution to solve the problem (Schonberger, 1992).

Total Quality Management is a program that can be used to implement an overall low cost or a differential business strategy, since its objective is to reduce cost and improve quality. It is committed to being the best in all functions and improvement of quality. It is partly technical, just -in-time inventory system and cultural. Empowerment of employee is necessary to carry out the needed change, and the shared value must emphasize continuous improvement. (Materson and Taylor, 1996).

Getting every employee to work together to satisfy customers' requirement should be the path to profits. Managers should implement quality efforts that will provide the customer with superior quality, that will reduce the price the customer will be willing to pay (Rust, Moorman and Bickson, 2002).

Vorley and Tickle (2001), defined TQM as the combination of the organisational, technical and cultural elements of a company. They opined that TQM is a heart and mind philosophy which recognises that company culture affects behaviour which in turn affects quality.

Oakland (1989), describes TQM as an approach to improve competitiveness efficiently and flexibility for the whole organization.

2.1.2 Importance of Total Quality Management (TQM)

- Minimization of waste. The TQM concept focused on zero defects as a way of minimization.
- Quality must be interacted throughout the organization.
- There must be employee commitment to continuous improvement.
- A focus on product improvement from the customers view point.
- The goal of customers satisfaction and the systematic and continuous research process related to customer satisfaction.
- Recognition that personnel at all levels share responsibility for product quality.
- Suppliers are partners in the TQM process.
- Total Quality Management Concept aims to foster the technological advancement.

2.1.3 Limitations of Total Quality Management (TQM)

According to Oakland (1993), he identified factors that hinder the implementation of TQM. These include the thought that its implementation can be time consuming, bureaucratic, formalistic, rigid and impersonal.

Ugboro and Obeng, (2000) in their research they found out that the uncommitted implementation of TQM is a major reason for its failure in most organisations. According to them, organisations are only willing to implement those aspects of TQM which is supported by existing organisational culture. Their findings revealed that employees did not feel as part of the decision making process and their ability to make contributions to quality improvement were restricted due to the limited authority granted to them to carry out their activities.

Smith (2004), explained that quality management programs have failed because they were 'programs of the month'. According to him, implementing quality through out an organisation is not the result of a formalised programme but requires a cultural change in the way activities is conducted. Andrlé (1994), on his own assessment, claims that the adoption of incompatible quality approach by organisations results in the failure of TQM implementation, he further stressed that the delegation of quality leadership by managers might lead to the development of TQM bureaucracies that are ineffective like other functional departments.

2.1.4 CONCEPT OF QUALITY

Quality is a significant element of production or services in keeping the customers satisfied. There are different definitions and opposing views of the term quality by different people and the common element of the business definitions is that the quality of a product or service refers to the perception of the degree to which the product or service meets the customer's expectations.

Crosby (1979), defined quality as the conformity to requirements or specifications and also suggested that to manage quality adequately; it must be able to be measured.

Peters (1999), defined quality as a 'magic bullet' which provides lower cost, higher customer service, better products and higher margins. He also explained that 'quality is in the eyes of the beholder', this mean it is what the customer say it is.

Kondo (1997), defined quality as a source of employee's empowerment. To him, a major aim of a company is to make itself attractive to its employees and customers while making profits for its shareholders.

2.1.5 CONCEPT OF QUALITY MANAGEMENT

Quality management involves the formulation of strategies, setting goals and objectives, planning and implementing the plans; and using control systems for monitoring feedback and taking corrective actions. An organisation's quality management implementations are of the following;

- a) Satisfying customer's expectation and;
- b) Improvement in the overall business efficiency (Dale, 1994).

According to Juran (1988), the basic goal of quality management is the elimination of failure; both in the concept and in the reality of products, services and processes. This does not only mean that product, services and processes will fail in fulfilling their function but that their function was not what the customer desire. Failure must be prevented in quality management and to handle this there should be planning, organizing and controlling.

However, Four stages of quality management were identified by Dale et al (1994), this include:

- Inspection
- Quality control (QC)
- Quality assurance (QA)
- Total quality management (TQM)

2.1.5.1 INSPECTION

According to (ISO 8402, 1986) inspection can be defined as 'activities such as measuring, examining, testing, gauging one or more characteristics of a product or service and comparing these with specified requirements to determine conformity'. It involves the examination, measurement and testing of the characteristics of a product or service and the comparison to specified requirement and to access if the characteristics conform to specified requirement (Dale et al, 1994). Inspection is an efficient and effective way of discovering defects in services and products. According to Deming (1986), 'inspection with the aim of finding bad product and throwing them out is too late, ineffective and costly'. Quality to him comes from the improvement in the process rather than inspection.

2.1.5.2 QUALITY CONTROL

Quality control is a conventional way that businesses have used to manage quality. Quality control is concerned with checking and reviewing work that has been done. This is mainly done by inspection of products and services

(checking to make sure that what's being produced is meeting the required standard) take place during and at the end of the operations process.

Juran (1988) defined quality control as the regulatory process through which we measure that actual quality performance, compare it with standards, and act on the difference. It is a more sophisticated management tool aims at preventing goods and services which do not conform to basic requirements from getting to the final consumer.

2.1.5.3 QUALITY ASSURANCE

This is a principle based on the designing of the business process of production with a view of minimising the chances of producing substandard goods. According to Dale et al (1994), quality assurance is a prevention based system, which improves product and service quality with increased productivity by placing the emphasis on product, service and process design. Quality assurance emphasizes on defect prevention, unlike quality control that focuses on defect detection once the item is produced. Quality assurance is focused on the prevention of the production of non conforming product and much emphasis is placed on the activities involved in the process of production. Thus, it is a management design aimed at controlling quality at all stages of production to prevent quality problems from emerging.

2.1.5.4 TOTAL QUALITY MANAGEMENT

This is the highest level of quality management. It is concerned with the management of quality principle in all the facets of a business including customers and suppliers (Dale et al, 1994).

According to Mohammed (2006), TQM is an effective system for integrating the quality development, quality maintenance and quality improvement efforts of various aspects of a system so as to enable services at most economical level and derive full satisfaction. TQM is aimed at the satisfaction of customers needs in an efficient, reliable and profitable way. It involves a radical direction through which an organisation perform her day to day operations in other to ensure that

quality is put at the top of mind of every employee and departments in which they operate.

Oakland (1989), noted that *'for an organisation to be truly effective each part of it must work properly together towards the same goal, recognising that each person and each activity affects and in turn is affected by each other - the methods and techniques used in TQM can be applied through out any organisation.*

2.1.6 CONCEPT OF ORGANISATIONAL PERFORMANCE

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Organizational performance comprises three specific areas of firm outcomes: financial performance (profits, return on assets and return on investment), product market performance (sales, market share), and shareholder return (total shareholder return and economic value added). Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development.

Richard (2009), stated that many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance (such as shareholder return), customer service, social responsibility (such as corporate citizenship and community outreach) and employee stewardship.

Organizational performance is the ultimate dependent variable of interest for researchers concerned with any area of management. This broad construct is essential in allowing researchers and managers to evaluate firms over time and compare them to rivals. In short, organizational performance is the most important criterion in evaluating organizations, their actions, and environments. This importance is reflected in the pervasive use of organizational performance as a dependent variable. Organizational performance encompasses three specific areas of firm outcomes: financial performance, market sales and market share and shareholder return. Organizational effectiveness is broader and captures organizational performance including internal performance outcomes, normally

associated with more efficient or effective operations, and other external measures that relate to considerations that are broader than those simply associated with economic valuation (either by shareholders, managers or customers), such as reputation (Richard et al, 2009).

Organizations perform various activities to accomplish their organizational objectives. Organizational Performance is defined as the extent to which a company, as a social system with certain resources, is able to fulfil its goals without being obliged to incapacitate its resources and means or putting excessive strain on its employees.

Organizational performance has always had a significant influence on the actions of companies. One of the consequences of this influence is the increase in the number and variety of the means and methods to accurately measure the performance and, gradually establishing an important research field for both companies and academics.

Michel (1995), characterizes the organizational performance as future-oriented, designed to reflect particularities of each organization / individual and is based on a causal model linking components and products. He defines a "successful" business as one that will achieve the goals set by the management coalition, not necessarily one that achieved them. Thus, performance is dependent as much of capability and future. Unlike other authors, Michel Lebas noted the difference between "A performance" and "performance". "A performance" is subject generally to a measured result, higher than that provided for or arising from the previous results. "Performance" thus indicates a positive connotation. "Performance" can be both positive and negative and relates to past results.

Rolstadas (1998), believes that the performance of an organizational system is a complex relationship involving seven performance criteria that must be followed: effectiveness, efficiency, quality, productivity, quality of work, innovation and profitability.

2.1.7 TOTAL QUALITY MANAGEMENT PRACTICES AND ORGANISATIONAL PERFORMANCE

Effect of Top Management Commitment on Organizational Performance

Top management can be referred to as the foundation of a successful Total Quality programme as they hold the seat of most influence upon those working for the company. Their management style may come into play when trying to get the best from staff, whether it is through an authoritarian approach or a participation styled approach (Meere, 2005).

TQM is a way of life for a company. It has to be introduced and led by top management; attempts to implement TQM often fail because top management doesn't lead and get committed - instead it delegates and pays experts. Commitment and personal involvement is required from top management in creating and deploying clear quality values and goals consistent with the objectives of the company, and in creating and deploying well defined systems, methods and performance measures for achieving those goals. These systems and methods guide all quality activities and encourage participation by all employees (Zhang, 2007).

The same degree of importance of Top management leadership is supported by findings of a study conducted by Eshiwani (2009). Findings of the study showed visionary leadership as one of most four critical human resource related factors that promise successful TQM implementation. This importance occurs in involvement of top executives in creating sustainable, customer orientation work dimension and presenting apparent quality values in their organisation.

TQM requires effective change in organisational culture and this can only be made possible with the deep involvement/commitment of management to the organisation's strategy of continuous improvement, open communication and cooperation through out the organisation. TQM implementation improves the organisational performance by influencing other TQM dimensions (Kaynak, 2003). According to Oakland (1993), 'to be successful in promoting business efficiency and effectiveness, TQM must start at the top with the chief executive'.

2.1.8 Employee Involvement In Organisational Performance

In the traditional sense, employee involvement was conceived to mean a 'feeling of psychological ownership among organisational members' (Harvey and Brown, 1996). Unlike what obtains in the TQM ideology, the traditional employee involvement is narrow-minded; it is job-centred rather than process-centred. The TQM approach involves 'achieving broad employee interest, participation and contribution in the process of quality management' (Dale and Cooper, 1993). The concept assumes a company wide quality culture, which gives autonomy or a level of freedom to employees in taking decisions that affect their job.

Employees do not decide on how they are to be managed, but when implementing change to management styles one cannot expect that all employees would pick it up and accept it because management sees the need to make the change. It is imperative that management keep employees in the picture at all times when decisions are being made regarding TQM, which should encourage participation and help ease transition. When the identification of the tools for a system to be used is complete and should be ensured that the right training is given to the right people. Training given to the right people has been proven to minimize the misuse of the tools and techniques (Otunga, 2007).

It is important that the organization find ways to clearly communicate successes that demonstrate how the organization is performing, and especially to find ways to socialize stories of superior performance. Clear, well-planned, high-impact messages can help employees not only see the connection between their work and these successes, but also understand how they support overall organizational performance, which ties directly to engagement levels. Clearly, engaged employees understand the value of ensuring a positive customer experience and are more likely to demonstrate their commitment by delivering high quality products and services. Customer and employee-driven experiences that highlight great customer satisfaction and loyalty need to be effectively shared throughout the company. Like the connection to organizational performance, the connection to positive customer experiences is vital to healthy engagement levels (Magutu, 2010).

The degree of influence accorded to employees is also important. Low levels of participation with little employee autonomy have been identified as a reason for disappointing results. Where employees' expectations have been raised by introducing participation, but there is little real improvement in employee influence, workers may express resentment and dissatisfaction. Where participation is only from the top-down, workers may feel that they are being lectured and not listened to. Even where participation is from bottom to up, workers may feel that management is using their ideas, with no return seen by employees (Mutisya, 2010).

2.1.9 Effect of Customer Focus on Organizational Performance

A strong link between the delivery of high quality goods and services and profitability through customer satisfaction was found by Nganga (2010). The study defined Customer satisfaction as the degree to which a firm's customers continually perceives that their needs are being met by the firm's products and services.

Soltani (2005) advocates that an organization must identify customer relationship to measure customer needs and expectations; involve customers in quality improvement and determine customer satisfaction.

The availability of customer complaint information to managers and the degree of the use of customer feedback to improve product quality reveal the level of customer focus in an organization. As customer expectations are dynamic, an organization needs to survey customer expectations regularly and modify its operations accordingly.

An extensively covered element within the TQM literature is customer focus and customer satisfaction. Given the increasing focus on the creation of competitive advantages; it is argued that quality ought to be defined from an external perspective of customer expectations, rather than from predetermined internal specifications (Murata, 2006). It is thus important that every employee in the organization is involved and committed towards establishing and sustaining a high level of customer satisfaction. The supportance of having a high degree of customer focus in SMEs is likewise addressed in the study conducted by Ahire

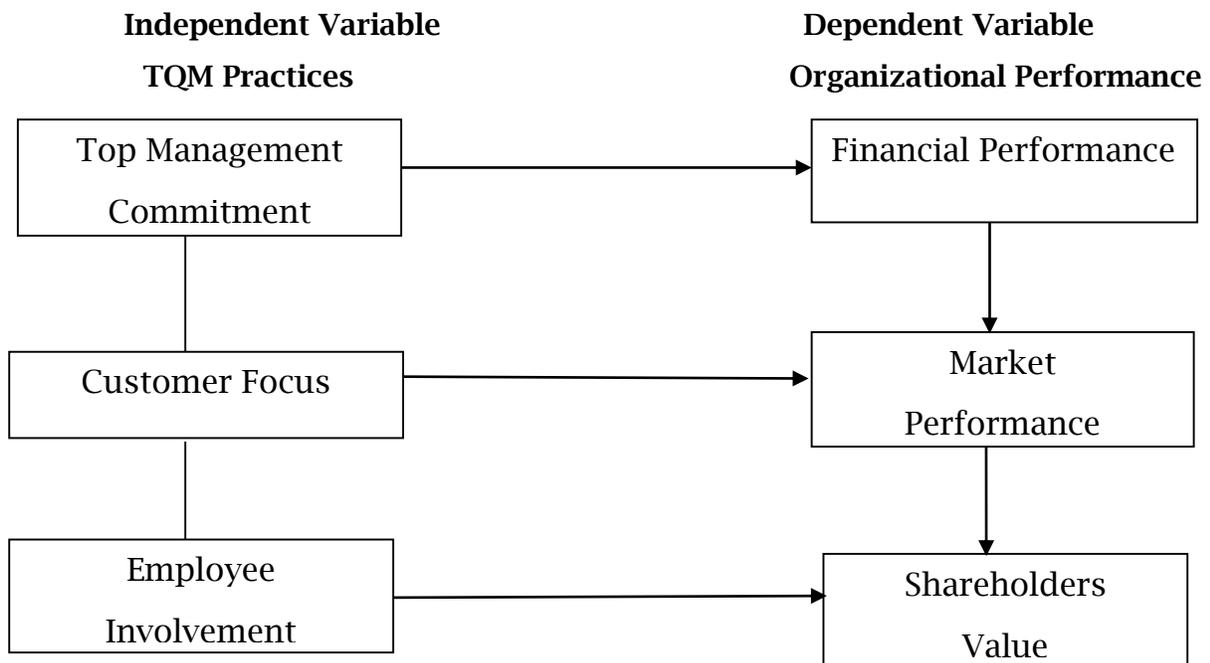
and Golhar (1996), who furthermore argue that the focus on customers may be stronger in SMEs due to their proximity to and close relationship with the customers.

It is a necessity that both current as well as future needs of the customers are understood and met, when creating and sustaining a customer oriented organization. This implies that the organization actively must establish a variety of mechanisms, enabling efficient ways of letting customers contact the organization with product inquiries and related questions, as well as establishing channels from which the organization can obtain knowledge about customer preferences.

However, In order to gain full advantage of this knowledge, it is important that incoming information and changes in customer preferences are analyzed and understood (Nganga, 2010).

The Conceptual Framework

Figure 2.1 Relationship between TQM practices and Organization Performance



Source: Researcher's Conceptualization (2019)

Figure 2.1 above conceptualizes the relationship between independent variables and dependent variables. The independent variable is conceptualized as TQM

practices and was measured by top management commitment, customer focus and employee involvement. The dependent variable on the other hand was operationalized as organizational performance and they include: Financial performance, Market performance, and Shareholders value.

2.2 THEORETICAL FRAMEWORK

2.2.1 The Deming Theory of Management

One of the strongest proponents of quality management was W. Edwards Deming, a member that contributed to the rapid revitalization of the Japanese economy after World War II (Deming, 1986).

The theoretical essence of the Deming theory to TQM concerns the creation of an organizational system that fosters cooperation and learning for facilitating the implementation of process management practices, which in turn, leads to continuous improvement of processes, products, and services as well as to employee fulfillment, both of which are critical to customer satisfaction, and ultimately, to firm survival (Anderson, 1994).

The responsibilities of top management is paramount in the changing process and systems. Leadership ensures the success of quality management, because it is the top management's responsibility to create and communicate a vision to the firm toward continuous improvement. Top management is responsible for most quality problems; it should give employees clear standards for what is considered acceptable work, and provide the methods to achieve it. These methods include an appropriate working environment and climate for sustainable working environment.

The purpose of the Deming theory of management has been and continues to be the transformation and improvement of the practice of management, more specifically, the practice of quality management (Deming, 1986). This purpose has served to propel practice ahead of formalized theory.

The Deming management method is currently embraced by many firms in the United States and around the world (Hodgson, 1987).

We believe that the formalization of the theoretical context of the effectiveness of the Deming theory of management is very essential for improving the

implementation of the following 14 points as the principles of TQM (Deming, 1986):

- ❖ Create adequate purpose toward improvement of product and service, with the aim to become competitive and to stay in business, and to provide jobs.
- ❖ Adopt the new philosophy. We are in a new economic age. Western management must encounter the challenges, must learn their responsibilities, and take on leadership for change.
- ❖ Terminate dependence on mass inspection to quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place.
- ❖ End the practice of awarding business on the basis of price tag. Instead, minimize total cost. Move toward a single supplier for any one item, on a long-term relationship of loyalty and trust.
- ❖ Improve worthwhile system of production and service, to improve quality and productivity, and thus constantly decrease costs.
- ❖ Institute training on the job.
- ❖ Institute leadership. The aim of supervision should be to help people and machines and gadgets to do a better job. Supervision of management is in need of overhaul, as well as supervision of production workers.
- ❖ Drive out fear, so that people may work effectively for the company.
- ❖ Break down barriers between departments. People in research, design, sales, and production must work as a team, to foresee problems of production and in use that may be encountered with the product or service.
- ❖ Eliminate slogans, exhortations, and targets for the workforce asking for zero defects and new levels of productivity. Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the workforce.
- ❖ (a) Eliminate work standards (quotas) on the factory floor and substitute leadership.
(b) Eliminate management by objective. Eliminate management by numbers, numerical goals and substitute leadership.

- ❖ (a) Remove barriers that deprive the hourly workers of their right to job effectiveness. The responsibility of supervisors must be changed from sheer numbers to quality.
- (b) Remove barriers that deprive people in management and in engineering of their right to job effectiveness. This means, abolishment of the annual or merit rating and of management by objective.
- ❖ Institute a vigorous program of education and self-improvement.
- ❖ Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job.

The concept of Deming Management theory expresses the effectiveness of the leadership efforts toward establishment of cooperative and learning organization systems that facilitates achievement of efficient process management. The realization of process management practices enables organizations to achieve customer satisfaction through continuous improvement and employee fulfillment.

Deming expect management to develop closer relationship with operation by listening to their complains, request to make decision, understand their difficulty and recognize them, adopt to statistical method to ensure effectiveness and efficiency of operation and decision making to reduce variability and cost by setting objective of organization to improve productivity, jobs, ensure long-term survival, and improve competitive position and any decision making must base on research or statistics to ensure decision without any errors.

LIMITATION OF DEMINGS' THEORY

- The theory assumes that everything starts with Planning. Plan has a limited range of meaning. However, Planning was not intended to cover aspects such as creativity, innovation, invention or Complex Adaptive Systems. In these aspects particularly when based upon imagination, it is often impossible or to plan.
- The Deming Cycle approaches often do not get to the root cause of a problem, especially in adaptive situations which call for an experiential approach but demand much more rigour in analysis and data collection. An

adaptive challenge exists where there are no visible solutions to problems, and can exist, for example in areas where chaos, uncertainty, and ambiguity exists, such as new frontiers, and existing complex systems such as Healthcare.

- W. E. Deming and F. W. Taylor oppose one another in ideology. Deming, for example, spoke of visionary leadership, whereas Taylor spoke of management control. Deming believed in the intrinsic motivation to work that is ensured by process management. Taylor, however, appeared to advocate the extraction of performance through extrinsic motivation, merit review, and piece work. Deming wanted a cooperative organization, whereas Taylor, despite his case for cooperation, is often accused of developing adversarial model of organizational management, one that is aligned with the interests of ownership and degrades the worker in a mechanistic design of work and work improvement.

2.2.2 CROSBY'S THEORY

Crosby (1979), identified a number of important principles and practices for a successful quality improvement program, which include; management participation, management responsibility for quality, employee recognition, education, reduction of the cost of quality (prevention costs, appraisal costs, and failure costs), emphasis on prevention rather than after-the-event inspection, doing things right the first time, and zero defects.

Crosby claimed that mistakes are caused by two reasons: Lack of knowledge and lack of attention. Education and training can eliminate the first cause and a personal commitment to excellence (zero defects) and attention to detail will cure the second. Crosby also stressed the importance of management style to successful quality improvement.

Furthermore, the key to quality improvement is to change the thinking of top managers, to get them not to accept mistakes and defects, as this would in turn reduce work expectations and standards in their jobs.

Crosby presented the quality management maturity grid, which can be used by firms to evaluate their quality management maturity. The five stages are:

Uncertainty, awakening, enlightenment, wisdom and certainty. These stages can be used to assess progress in a number of measurement categories such as management understanding and attitude, quality organization status, problem handling, cost of quality as percentage of sales, and summation of firm quality posture. The quality management maturity grid and cost of quality measures are the main tools for managers to evaluate their quality status.

Crosby offered a 14-step program that can guide firms in pursuing quality improvement.

- **Management commitment:** To make it clear where management stands on quality.
- **Quality improvement team:** To run the quality improvement program.
- **Quality measurement:** To provide a display of current and potential problems in a manner that permits objective evaluation and corrective action.
- **Cost of quality:** To define the ingredients of the cost of quality, and explain its use as a management tool.
- **Quality awareness:** To provide a method of raising the personal concern felt by all personnel in the company toward the conformance of the product or service and the quality reputation of the company.
- **Corrective action:** To provide a systematic method of resolving forever the problems that are identical through previous action steps.
- **Zero defects planning:** To investigate the various activities that must be conducted in preparation for formally launching the Zero Defects program.
- **Supervisor training:** To define the type of training that supervisors need in order to actively carry out their part of the quality improvement program.
- **Zero defects day:** To create an event that will make all employees realize, through a personal experience, that there has been a change.
- **Goal setting:** To turn pledges and commitment into actions by encouraging individuals to establish improvement goals for themselves and their groups.
- **Error causal removal:** To give the individual employee a method of communicating to management the situation that makes it difficult for the employee to meet the pledge to improve.

- **Recognition:** To appreciate those who participate.
- **Quality councils:** To bring together the professional quality people for planned communication on a regular basis.
- **Do it over again:** To emphasize that the quality improvement program never ends.

Crosby's main focus was on 'Quality Improvement'. Quality improvement is based on a company's ability to get everyone to do their work right the first time. Once the requirements are set up, they must be communicated to all employees, who will then be held accountable for following them to the letter. When management undertakes an obligation to allow no deviations from requirements, the major troubles involved in advancing quality as an integral part of the corporation will be removed.

LIMITATION OF CROSBY'S THEORY

- The theory is seen as putting blame on the workers for quality problem and time, unionized workers enjoy higher wages and job security. In the long run, however, investment will move away from firms with low profitability. To the extent that the profits of unionized firms are lower, investment expenditures will flow into the nonunion sector and away from unionized firms. As a result, the growth of productivity and employment, as well as market share, will tend to delay in the unionized sector. The larger the wage premium of unionized firms and the greater the guarantees of job stability, the greater the incentive to shift production toward nonunion operations.
- Emphasizing slogans and clichés rather than recognizing genuine difficulty. This point is focused on some real activities in the society which happens everyday. Saying is easy to talk, but doing is so difficult, in effect, the theory is good in planning and it is needed in accessing the goal, so that we need both slogans and clichés rather than recognizing genuine difficulty in real situation.
- Insufficient stress given to statistical methods. TQM is a participative management style that stresses total staff commitment to "customer satisfaction". TQM is the part management organized for the use of creating

and implementing a continuous improvement process that constantly improves on the organization's effectiveness and also their efficiency. The main responsibility of quality lies not on the workers but on the management on all levels.

2.2.3 STRUCTURAL CONTINGENCY THEORY

Structural contingency theory was propounded by Donaldson (1996). The key element of structural contingency theory is that organizations must fit their structure to the contingency factors in order to maintain and improve performance. Structural contingency theory holds that there is no single, effective structure for all organizations. Instead, organizations must adapt their structures to fit the contingency factors and the environment as they affect the organization. Contingency factors include: strategy, size, task, uncertainty, parent organization, public accountability, critical assets and technology.

In postulating the relevance of the theory to improving organizational performance, Donaldson (1996) uses the 5-stage structural adaptation to regain fit (SARFIT) model.

- First stage, organization is in fit as it has adapted to its environment.
- Second stage, there is a contingency change, where the organizational environment changes.
- Third stage, the organization declines and performance declines.
- Fourth stage, the organization does structural adaptation to correct the state of failure and to reinstate its level of performance.
- Fifth stage, the organization achieves a new fit and performance recovers.

Structural contingency theory, like sociological functionalism more generally, is often considered as being an equilibrium theory, in that organizations are depicted as attaining fit and then being in equilibrium and so remaining static.

Structural contingency theory holds that organizations in fit have higher performance than those in misfit. However, all these fits produce the same high level of performance.

LIMITATIONS OF STRUCTURAL CONTINGENCY THEORY

- Critics of structural contingency theory sometimes argue that it is not sensible for organizations to move into fitting with their contingencies, because while the organization is changing its structure to fit the contingencies, the contingencies themselves change, so that the organizational structural change does not suit its environment. Nevertheless, by moving towards the fit, the organization is decreasing misfit, and thereby increasing its performance relative to what it would be if it were to make no structural change.
- It is sometimes also said against structural contingency theory that organizational managers may not know the fit states of the theory and so cannot change their organization towards it. However, the concept of 'quasifit' allows managers to move towards fit for misfit to be reduced and the SARFIT cycle to operate (Donaldson, 1996).
- Another theoretical challenge to structural contingency theory is that the organizational structures featuring in contingency theory are obsolete and are being replaced by new organizational forms. This argument is in a long line of declarations that some modern development, often technology, is rendering existing structures ineffectual or no longer required.

My study was based on structural contingency theory by Donaldson (1996). Structural contingency theory holds that there is no single, effective structure for all organizations. Instead, organizations must adapt their structures to fit the contingency factors and the environment as they affect the organization. The theory is designed within a functionalist tradition of social science that sees organizations as adapting to their changing environments. Therefore, organizations change from one style to another over time.

An organization that adapts to its changing environment enjoys higher performance, which generates surplus resources and leads to expansion (Hamilton and Shergill, 1992), such as growth in size, geographic extension, innovation or diversification.

2.3 EMPIRICAL FRAMEWORK

On the study carried out by Samson and Terziovski (1999), on the effect of TQM practices on organizational performance of 5 Australian and New Zealand manufacturing organisations. The reliability and validity of the practice and performance measures were evaluated. The findings showed that the relationship between TQM practice and organizational performance is significant. The categories of leadership, management of people and customer focus were the strongest significant of TQM and organizational performance. Also, Tsang and Antony (2001), identified critical success factors of TQM in UK services organizations including telecommunication. Based on the study of 300 subjects, the study identified top management commitment, customer focus, training and development, teamwork, continuous improvement, supplier partnership, and cultural change as essential dimensions of TQM.

In another study carried out by Rahman (2001), he studied the relationship between TQM practices and three business outcomes (revenue, profit, and the number of customers) in Western Australia. A questionnaire was developed which asked respondents to rate themselves on the extent to which they practiced TQM principles. The same six quality criteria were employed, and the results revealed that leadership, process management, people management and customer focus were all significantly correlated with business outcomes. Furthermore, Patel and Djerdjouri (2000), examined the implementation of TQM practices in Telecom, Fiji. The results of the study indicated a change in organizational culture, improved processes and productivity, improvement in management and employee relations, and increased employees' commitment.

Prajogo and Sohal (2006), examined the effect of TQM practices in mediating the relationship between organization strategy and organization performance. The study attempted to explain the relationship between TQM and differentiation and cost leadership strategies as well as quality and innovation performance. The findings indicated that TQM was positively and significantly related to differentiation strategy, and partially mediated the relationship between

differentiation strategy and three performance measures (product quality, product innovation, and process innovation). Also, Antilla (2000), investigated the effect of TQM implementation in Sonera Corporation, a leading Finnish Telecommunication Company. The results indicated significant improvement in profitability and customer base because of effective leadership, learning of employees, increased innovations of products, services and processes, and change in organizational culture.

Furthermore, Akinola (2009), emphasized that service quality is a critical prerequisite and determinant of competitiveness as well as for establishing and sustaining satisfying relationships with customers in organisations like banks. In the banking industry there is high level of competition, and the quality of their service is a major aspect that hinder their performance. Poor service could lead to loss of goodwill which would adversely affect their financial performance. Thus, to achieve improved service quality in the banking industry, TQM is highly essential and necessary. In correlation, Jitpaiboon and Rao (2007), used the meta-analysis approach to examine issues regarding the TQM measurement reliability and the relationships between TQM practices and organizational performance. According to them, there is no consensus on the relationship between TQM practices and organizational performance. They showed that all TQM practices are positively related to internal and external performance. More specifically, top management support had the highest impact on both performances.

Yang (2006), found that TQM practices including quality management, process management, employee empowerment and teamwork, customer satisfaction management, quality goal setting and measurement, supplier's cooperation and quality tools training have positive effects on customer satisfaction and that the adoption of TQM principles is an effective means by which companies can gain competitive advantage. In addition, Sadikoglu and Zehir (2010), examined the mediating effects of employee performance and innovation performance on the relationship between TQM practices and organizational performance. Findings of the study revealed that employee performance and innovation performance

partially mediated the relationship between TQM practices and organizational performance.

Yunis (2013), investigated whether TQM has a driving role in the formation of strategy or has a mediating effect in the strategy-performance relationship. The findings showed that TQM influenced strategy formulation process and it is a dynamic resource that contributes to the achievement of a sustainable competitive advantage. In addition, TQM has a higher impact on competitive strategy formulation and on organizational performance. Another empirical research by Olusanya and Adegbola (2014), investigated the effect of TQM practices on performance of small businesses in Lagos. The results revealed that TQM practices had significant effect on organizational performance as it results in improved product and service quality, enhanced customer satisfaction, and increased productivity.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter examines the method adopted in carrying out the research design. The sufficiency of the research methodology will determine the success or otherwise of the study.

3.1 Research Design

The research design used was descriptive survey design to enhance a comprehensive study of the variables under study. The choice of descriptive survey design is made because it involves collecting data from a defined population to test the formulated hypothesis and answer the research questions raised.

3.2 Characteristics of the study population

For the purpose of this study, the population has been identified as the entire employer/employees of SystemSpecs Ltd. Characteristics of the population of study supply biographical data: Gender, Age range, Marital Status, Highest Educational Qualification, e.t.c. The researcher's study population is made up of: Top level management, Middle level management and Lower level management with a total population of 190 members of staff.

3.3 Sampling Design and Procedure

The sampling technique used was simple random sampling which is a non-probability sampling technique where subjects are selected based on convenient accessibility and proximity to the researcher.

The sample size drawn from the total population is 190 using the kracie and morgan (1970) sample size determination. The formula is: $s = \frac{X^2 NP(1-P)}{d^2(N-1) + X^2 P(1-P)}$.

Where s=required sample size

X^2 =the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841)

N=the population size

P=the population proportion (assumed to be .50 since this would provide the maximum sample size).

d=the degree of accuracy expressed as a proportion (.05)

TABLE 3.1

Table for Determining Sample Size from a Given Population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368

140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size.

S is sample size.

Source: Krejcie and Morgan (1970), *“Determining sample size for research activities”*. Education and psychological measurement. 30, 607-610.

3.4 Data Collection Instrument

The data collection instrument adopted by the researcher in gathering relevant data for this research work was a structured questionnaire.

The question consists a series of relevant questions answered by the respondents. It was in two sections, Section A: Introduction and Bio-data of the respondents. Section B has three parts; part I on Top Management Commitment on TQM in organizational performance, part II on Employee Involvement on TQM in organizational performance, part III on customer focus in organizational performance. The questions were simplified and structured in a concise manner that prevents ambiguity and technical details. Thus the questions simply required respondents to tick (√) against the appropriate response.

3.5 Validity and Reliability of the Research Instruments

Validity represents ‘the extent to which an instrument measures the credibility of the research. To test the validity of the instrument of the study, the researcher submitted the instrument to the project supervisor, it was corrected and approved before it was administered to the organization.

Reliability of the research instrument is achieved when the same research process is repeated and reproduces results with the same actual outcome.

3.6 Method of Data Analysis

The study utilized chi-square analysis to test the three hypotheses that addressed the specific objectives of the study. Chi-square test determines whether there is dependency between variables or not.

Chi-square test (χ^2) is a tool to test and ascertain the extent of fit of theoretical, hypothetical or expected distribution with the observed distribution. The χ^2 one-sample test is carried out using the formula below:

$$\chi^2 = \sum \left[\frac{(O - E)^2}{E} \right]$$

Where: O = represents the observed frequency

E = represents the expected frequency

Since the study involved the use of contingency table, the expected frequency is obtained using:

$$E = \frac{\text{Row Total} \times \text{Column Total}}{\text{Grand Total}}$$

To obtain the chi-square tabulated, the following information were used:

1. The degree of freedom (ν) = (c - 1) (R - 1)
2. The level of significance = 5%

Decision Criteria

χ^{2cal} is greater than χ^{2tab} , reject H_0 and accept H_1

χ^{2tab} is greater than χ^{2cal} , reject H_0 and accept H_1

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.0 Introduction

In this chapter, results of the data analysis are presented. The data for the study are presented in tables and percentages according to the hypothesis which guided the study. This aspect of the study assesses the cumulative responses of the sampled 127 respondents of Top level manager, Middle level manager and Lower level manager.

4.1 Presentation of Data

A total of 127 copies of questionnaire administered to the respondents out of which 124 copies of questionnaire were returned to ascertain the influence of TQM on organization performance and employees productivity on System Specs Ltd. This analysis was carried out using (SPSS) Statistical Package for Social Sciences. Descriptive statistics of frequency count, percentages and chi-square were used to analyse the data to verify the hypotheses.

SECTION A: SOCIAL DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Table 4.0

Age of Respondents

	Frequency	Percent	Cumulative Percent
16-35 years	34	27.6	27.6
36 - 45years	77	62.6	90.2
46 years and above	12	9.8	100.0
Total	123	100.0	

The total number of respondents was 124 but only 123 was used for data analysis because 1 was wrongly filled.

The table above shows that 16-35 years of the respondent are 27.6;
 36-45 years of the respondent are 62.6;
 And 46 years and above are 9.8.

Therefore, 36-45 years have the highest percentage at 62.6

Table 4.1

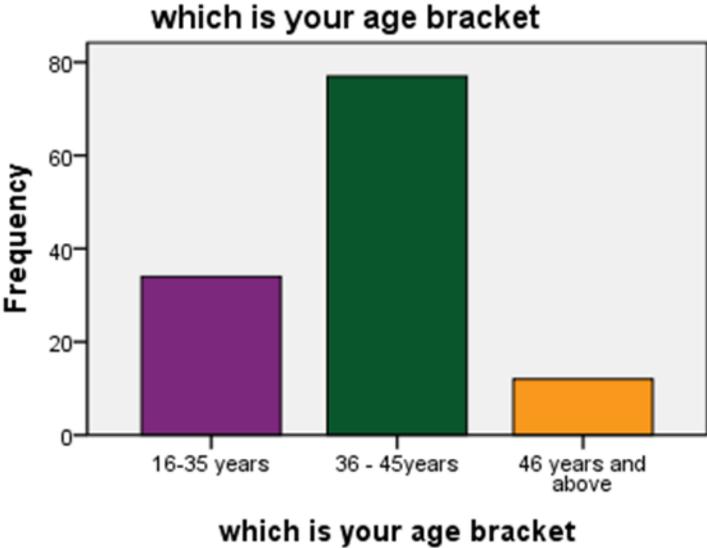


Table 4.2

MARITAL STATUS

	FREQUENCY	PERCENTAGE	CUMULATIVE PERCENT
SINGLE	28	22.8	22.8
MARRIED	91	74.0	96.7
DIVORCED	4	3.3	100.0
TOTAL	123	100.0	

Table 4.3

The table above shows that 22.8 are single;
 74.0 are married;
 And 3.3 are divorced
 Therefore, the highest percentage is 74.0 which represents respondents that are married.

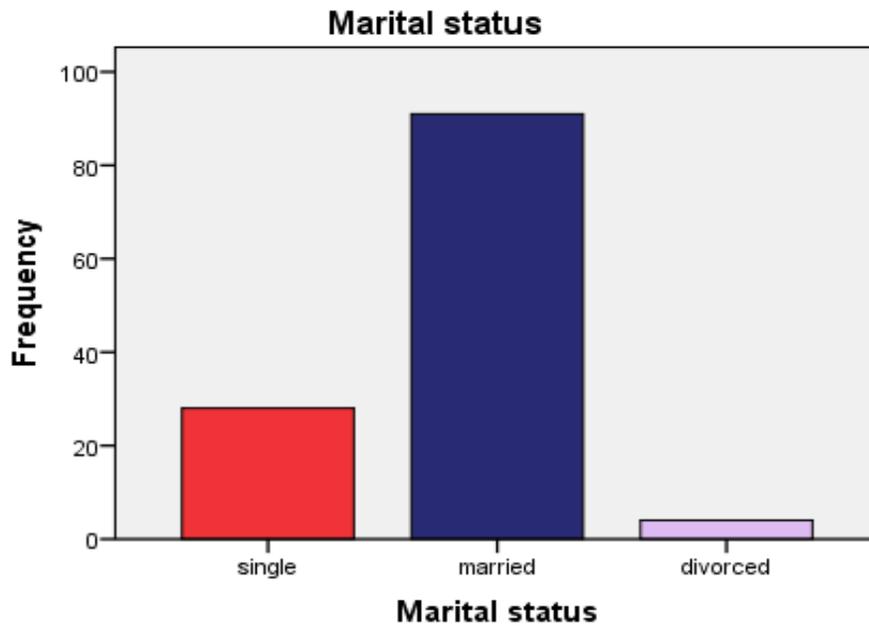


Table 4.4 **GENDER OF RESPONDENT**

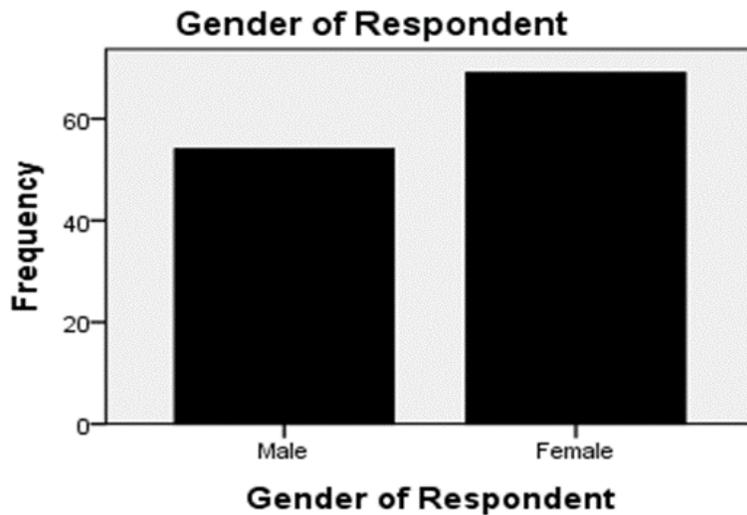
	Frequency	Percent	Cumulative percent
Male	54	43.9	43.9
Female	69	56.1	100.0
Total	123	100.0	

Table 4.5

The table above shows that male respondents are 43.9;

56.1 for female respondents;

Therefore, female staff members are more than the male staff workers in the organization.



4.2 Verification of Research Hypotheses

It is important to establish how respondents rated themselves on Total Quality Management. The major aim for such representation is for: Organizational performance was the dependent variable which was affected by TQM. There may be critical problems/elements arising from organizational performance that may be important to note: Therefore, the following are descriptive statistics showing how employees rated themselves on performance.

SECTION B: HYPOTHESES TESTING

Chi-Square test

HYPOTHESIS 1

There is no significant relationship between total quality management and attainment of superior corporate performance at System Specs Ltd.

Table 4.6

*How has the application of TQM on System Spec been able to sustain superior Corporate Performance? *In what way does top management involvement in TQM implementation affect performance in System Spec?*

CROSS SECTION

			In what way does management level involvement in TQM implementation affect performance in System Spec			Total
			Through quality attainment	Through cohesive teamwork	Through effective communication	
Has the application of TQM on System Spec being able to sustain superior Corporate Performance	No	Count	33	59	17	109
		Expected Count	31.0	60.3	17.7	109.0
	Yes	Count	2	9	3	14
		Expected Count	4.0	7.7	2.3	14.0
Total		Count	35	68	20	123
		Expected Count	35.0	68.0	20.0	123.0

Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.606 ^a	2	.448
Likelihood Ratio	1.796	2	.407
Linear-by-Linear Association	1.356	1	.244
Number of Valid Cases	123		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.28.

Table 4.9 above shows that X^{2cal} (18.606) is greater than X^{2tab} (10.60) at 5% level of significance ($X^{2tab} = 10.60$, $v = 4$, $\alpha = 0.05$). Hence, the alternate hypothesis is accepted while the null hypothesis is rejected. That is, there is relationship between total quality management and corporate performance in System Spec Ltd.

HYPOTHESIS 2

There is no significant relationship between top level management of total quality management implementation and employees performance.

Table 4.7

*Has the application of TQM on System Spec being able to sustain superior employees Performance * Top level management is committed to total quality management.*

CROSS SECTION

		Top level management is committed to quality					Total
		SA	A	N	D	SD	
Has the application of TQM on System Spec being able to sustain superior employees Performance	Count	51	38	15	4	1	109
	No						
	Expected Count	50.5	39.9	14.2	3.5	.9	109.0
	Count	6	7	1	0	0	14
Yes	Expected Count	6.5	5.1	1.8	.5	.1	14.0
	Count	57	45	16	4	1	123
Total	Expected Count	57.0	45.0	16.0	4.0	1.0	123.0
	Count						

***SA=STRONGLY AGREE**

A= AGREE

N= NEUTRAL

D= DISAGREE

SD= STRONGLY DISAGREE

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.906 ^a	4	.758
Likelihood Ratio	2.448	4	.654
Linear-by-Linear Association	.273	1	.602
N of Valid Cases	123		

a. 5 cells (50.0%) have expected count less than 5.

The minimum expected count is 11.

Table 4.9 above shows that X^{2cal} (17.906) is greater than X^{2tab} (14.86) at 5% level of significance ($X^{2tab} = 14.86, v = 4, \alpha = 0.05$). Hence, the alternate hypothesis is accepted while the null hypothesis is rejected. That is, there is relationship between total quality management and employees' productivity in System Specs Ltd.

HYPOTHESIS 3

There is no significant relationship between staff development training and workers' productivity.

Table 4.8

*To what extent does training and development improve employees' performance? * Has the application of TQM in System Specs been able to train and develop employees performance?.*

CROSS SECTION

		Has the application of TQM on System Spec being able to sustain superior Corporate Performance		Total	
		No	Yes		
To what extent does training and development improve employees' performance	Low productivity	Count	9	3	12
		Expected Count	10.6	1.4	12.0
	Better quality performance	Count	50	3	53
		Expected Count	47.0	6.0	53.0
	Meeting up with the organizational objective	Count	34	8	42
		Expected Count	37.2	4.8	42.0
	Reduce waste and resources	Count	16	0	16
		Expected Count	14.2	1.8	16.0
	Total	Count	109	14	123
		Expected Count	109.0	14.0	123.0

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.37.

Table 4.9 above shows that X^{2cal} (23.206) is greater than X^{2tab} (12.84) at 5% level of significance ($X^{2tab} = 12.84$, $v = 4$, $\alpha = 0.05$). Hence, the alternate hypothesis is accepted while the null hypothesis is rejected. That is, there is relationship between employees training and development and staff productivity in System Spec Ltd.

4.3 Discussion on findings

❖ The first hypothesis which states that, there is relationship between total quality management and corporate performance on System Specs Ltd shows that TQM in an organization has a significant influence on performance. This is in line with Deming theory which states, “Adopt the new philosophy. We

are in a new economic age. Western management must encounter the challenges, must learn their responsibilities, and take on leadership for change”.

However, Samson and Terziovski (1999), examined the effect of TQM practices on organizational performance and their findings showed that the relationship between leadership, management of people and customer focus were the strongest significant of TQM and organizational performance.

- ❖ The second hypothesis which states that “There is significant relationship between management level of total quality management implementation and employees performance level”. However, this could be proven by Patel and Djerdjouri (2000), who examined the implementation of TQM practices in Telecom, Fiji. The results of the study indicated a change in organizational culture, improved processes and productivity, improvement in management and employee relations, and increased employees’ commitment.

Also, Tsang and Antony (2001), identified the prominent factors that correlates management level and employee performance level which are; top management commitment, customer focus, training and development, teamwork, continuous improvement, supplier partnership, and cultural change as essential dimensions of TQM.

- ❖ The third hypothesis which states that: There is significant relationship between staff development training and workers’ productivity. It was supported by Antilla (2000), who investigated the effect of TQM implementation in Sonera Corporation, a leading Finnish Telecommunication Company. The results indicated significant improvement in profitability and customer base because of effective leadership, training of employees, increased innovations of products, services and processes, and change in organizational culture.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

This research offers many different outlooks on the project topic, "Effect of Total Quality Management Practices on Organizational performance". This chapter includes summary, conclusions drawn from the research findings and the recommendations.

Chapter one of this research work covered introduction which includes the background of the study, statement of problem, objectives of the study, research questions, research hypotheses, scope of the study, significance of the study, limitations of the study, operational definition of terms and brief history of System Specs Ltd.

Chapter two which is literature review was broken into conceptual framework, theoretical framework and empirical framework and it examined the views of scholars, educationists and authors regarding the subject matter. Sub-topics relating to top management commitment, customer focus, training of employee's and organizational performance.

Chapter three is the research methodology which presents the research design employed in achieving the objectives of this study, models and procedure that were used for data collection and the plan for data analysis which include; research design, population of the study, sampling design and procedure, data collection instrument, validity and reliability of the research instrument, method of data analysis.

Chapter four gave the data presentation and analysis, the statistical analysis of the information obtained through the questionnaire was carried out in this chapter and testing of hypotheses. The findings made from data were discussed.

Chapter five summarized and concluded the project with recommendations. The major finding as contained in the project was that Total Quality Management (TQM) have significant influence on organizational performance.

5.2 CONCLUSION

This study examined the relationships between top management commitment, employee involvement, customer focus and organizational performance. From the study finding, this study concluded that top management commitment was critical for organizational performance. The study also found out that top management in the organization under study was willing to commit organizational resources in supporting total quality management. Results also indicated that organizational processes and procedures were standardized to meet total quality management requirements.

Concerning employees' involvement, this study concluded that employee involvement had a direct relationship with organizational performance. Employees were involved in decision making within their respective organizations, employees are provided with adequate training and education to perform their tasks, and there were clear communication channel between employees and top level managers listened to employee's opinions and encouraged team work among employees.

The study also concluded that customer focus was critical for organizational performance. The results indicated that the organization always attempted to meet its customer needs, address customers complaints as a priority for the organization, the organization actively performed market research to identify customer needs and that the organization provided clear channels of communication to its customers.

5.3 RECOMMENDATIONS

This study recommends that since Total Quality Management Practices (top management commitment, employee involvement and customer focus) have been found to have positive effect on organizational performance, it is necessary that it is adopted as a quality management model in all organizations at large.

This study also recommends that managers should be enlightened on the importance of total quality management practices on organizational performance to enhance the

level of top management commitment to the practice and consequently achieve better organizational performance.

Managers should also increase the level of employee involvement in the organization and sovereignty of procedures to improve their levels of productivity in the organization since customer focus has an effect on organizational performance, it is necessary for managers of organizations to carry out market research to find out customer needs, provide clear channels of communication and address customer complaints in time.

Other recommendations include:

- Organizations should attract competent and skilled employees as this will form the key area of all other strategies;
- More resources should be committed to training and development of its manpower needs;
- And they should build a flexible and more response organizational structure which can easily adapt to changing economic climate.

5.4 IMPLICATION OF THE STUDY

This study has shown that total quality management is essential in an organization. It is paramount for organizations that are customer driven. However, a poorly set up organization could not be able to identify the basic areas that would give rise to meeting the organizational goals. Some companies fold up because of this fact. But those organizations that employ TQM would be able to have effective organizational structure that would be viable enough to meet the new trend in organizational output. Besides, the organization should be able to explore new market environments for effective inputs at lower costs. The engagement of knowledgeable TQM managers would enhance the organizational effectiveness and growth. But if the organization has no knowledge of the new world economic order and change, that organization would not survive.

Top level managers are responsible for combining various arms of an organizational set up into a unified function to achieve an organizational goal. The top level managers would make personal decisions on production productivity through the integration of the employees, taking care of social responsibilities, customer

satisfaction, uninterrupted process implementation and. If a good TQM is not used in the implementation strategy, the management would not be effective. Consequently, the organization will not survive.

Furthermore, employees need to be well trained and exposed to the work for effective productivity. Customers should be the top priority of the organization objective because the essence of TQM is to render quality products to their customers.

5.5 CONTRIBUTION TO KNOWLEDGE

The thorough research carried out has added immensely to the existing literature on total quality management on organizational performance as a concept. The interesting thing is TQM is not still used by many organizations because of the huge cost of operation and meeting up the demands of customers.

However, organizations that have adopted TQM are enjoying the benefits because of the huge revenue and market share it brings back to the organization.

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APPENDIX I: LETTER OF TRANSMITTAL



College of Humanities, Management and Social Science,
Department of Business Administration,
Mountain Top University,
Ogun state, Nigeria.
29th June, 2019.

Effect of Total Quality Management Practices on Organizational Performance: A study of *System Specs Ltd, Lagos.*

Dear Respondent,

RE: RESEARCH PROJECT

My name is Illah-Williams Joshua. I am an undergraduate student of the above mentioned university and I am researching on the above topic.

The document attached is a questionnaire which I oblige you to complete in order to enable me achieve the research findings.

I consider your response very important to achieving my aims and I promise to treat it confidentially and to use it solely for academic exercise.

Thank you for your co-operation.

Yours faithfully,

Illah-Williams Joshua.

APPENDIX II: RESEARCH QUESTIONNAIRE

SECTION A

PERSONAL DATA:

Please tick (√) as appropriate

1. Which level of management do you belong to? Top
Middle Low
2. How long have you been working in the company?
Under 5years 5-10 years 11-15 years
16-20 years 21 years and above
3. What is your highest Educational Qualification?
WAEC/GCE/ND/NCE HND/BSc/BA/B. ED
PGD/MSC/MBA/PHD Others Specify
4. Which is your Age bracket?
16-35 years 36-45 years
46 years and above
5. Marital status?
Single Married Divorced
6. Please indicate your gender
Male Female

SECTION B

Please tick (√) as appropriate

1. Has the application of TQM on System Specs being able to sustain superior Corporate Performance?
a) No []
b) If yes, how?
2. In what way does management level involvement in TQM implementation affect performance in System Specs?
a) Through quality attainment []
b) Through cohesive teamwork []
c) Through effective communication []

3. Do some problems affect the TQM implementation in the Organization?

a) No []

b) If yes, how?.....

4. To what extent does training and development improve employees' performance?

a) Low productivity []

b) Better quality Performance []

c) Meeting up with the organizational objective []

d) Reduce waste and resources []

❖ Kindly indicate the extent to which you agree with the following aspects on: **“Top Management Commitment”**. (Please tick (√) as appropriate).

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Adequate support of quality policies by Top level management.					
Top level management is committed to quality.					
Top level management is wasting resources necessary to maintain quality in operations.					
The commitment of Top level management is critical for success in total quality management implementation.					
Organizational processes and operations are standardized.					

- ❖ Kindly indicate the extent to which you agree with the following aspects on: **“Employee Involvement”**. (Please tick (√) as appropriate).

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Employees are given chance to participate in decision making.					
Employees are provided with enough training and education to adequately perform their tasks.					
There is a clear communication channel between employee and top level managers.					
Employee’s opinions are listened by top level managers.					
Employees are encouraged to work in teams by top level managers.					

- ❖ Kindly indicate the extent to which you agree with the following aspects on **“Customer focus”**. (Please tick (√) as appropriate).

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Employees are trained based on customer focus practices.					
Attention to customer needs is key to organizational success.					
The organizational always meets customers need and expectations.					
The organization performs market research to find out about customer needs.					
Customers have clear channels of communication with the organization.					
Customers complaints are given priority by the organization.					

Please state your comment for further insight on TQM in your organization:

THANK YOU!