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QUALITY MANAGEMENT PRACTICES AND THEIR EFFECTS ON THE PERFORMANCE OF ORGANIZATIONS

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ABSTRACT

Increased competition in business and the market has opened the door to better production of products and services than before. The need for a quality management approach has provided a means for organizations to develop and upgrade their quality measures. Total Quality Management (TQM) has proven to be the best practice that organizations have implemented in recent years in order to gain significant market influence. Thus, this study presents the investigation of the impact of total quality management practice on organizational excellence and performance on organization in Saudi Arabia. The research is going to shed light on different dimensions of TQM, its implementation, and factors in its adoption and how well it is impacting on the organization's performance. This study was carried out based on quantitative method and the collected data was analyzed using correlation statistic. The findings have shown that there is positive relationship between total quality management (TQM) and organizational performance.

INTRODUCTION

In today's business world, the focus on quality has increased and is being used as a competitive tool. In organizations, directors and pioneers secure vitality through fulfilling client needs and organizational survival, which is the fundamental logic of quality management [1]. Quality management is an all-encompassing way to improve quality with firms to improve quality and development performance over the last two decades. Organizations that have used total quality management (TQM) create numerous advantages, such as higher quality items, progressively satisfied customers, reduced costs, improved related money, and quality and development performance, and

despite these improved representative performance [2]. In addition, if TQM is effectively implemented, it also gives a competitive preference. A number of reviews have shown a positive relationship between the organizational results and the TQM.

TQM is one of the quality-arranged methodologies suggested by many organizations [3]. In view of the development of dissemination and recognition in the business world, TQM has drawn on researchers. Particularly over the last two decades, TQM has stood out as one of the most famous and tough management ideas. Furthermore, TQM is a management approach to improving organizational performance that includes a range of specialized and social aspects. TQM consists of a number of exercises, such as management authority, quality division work, preparation, worker relations, quality information and disclosure, provider quality management, item service configuration, process management, key organization, customer focus, data innovation and investigation, individual management [4].

Quality management is an act of managing the tasks, projects and firm business that the company can compete with other companies in the system [5]. Quality management has many dimensions and involves the supervision of all tasks, activities and lines of work performed by employees in order to gain influence and improvement in all fields related to the company. It may involve making different policies, developing different strategies for improvement, interacting with the market and eliminating errors to improve productivity [6]. Quality management techniques are used for future policies on business and work objectives. Project teams are mostly seen to implement this act in order to get the upper hand.

The long-term success of a company depends on quality management and the different factors that affect the company's performance [7]. If the management of the company wants to improve the production line, business ventures, sales revenue and profit, then all entities must submit their information and the management should apply quality management. In recent years, competition has sparked a war of progress in the world, and international companies are implementing this act to improve their productivity [8]. The most important part of quality management is to work towards the elimination of those processes which, in any event, hinder the progress of the business.

Products manufacturing may experience many defects and problems, and these defects must be addressed in order to enable the rapid production line [9]. The main objective is to ensure that the work done or the product is better and that there will be no flaws in the future assembly line [9]. There are many principles of quality management that depend on the field and category in which quality management is implemented [10]. Quality management leadership is a single entity that defines the whole process of quality management and its impact on the firm's performance. Furthermore, the quality objectives are very important to set, as they will provide the basic structure of what they actually want to achieve and how they will be achieved at the managerial level [11]. In the same way, quality management leadership will provide a breakdown in order to gain more understanding of each and every process involved, and improve the overall quality of the company [11].

TQM is operationalized as a solitary building to dissect the link between TQM and the firm's performance, to operationalize TQM as a multidimensional development [12]. A few investigations operate performance only in working dimensions, while others measure only money-related performance and some measure performance in a number of dimensions [13, 14]. Additionally, the explanatory structure used to determine the link between TQM and performance varies between the investigations. In addition, TQM practices have a direct or potentially backhanded impact on different dimensions of performance [15]. There is therefore a need to distinguish between the immediate and backhanded impacts of TQM practices, particularly in companies in Saudi Arabia, as minimal works have been reported to the authors the best knowledge.

Thus, this work has investigated the effects of total quality management practice on organizational excellence and performance on organization in Saudi Arabia.

METHODOLOGY

For this work, quantitative research method has been used as the primary method of investigation. The sample population was employees of Saudi Geological company and sample size used were 34 employees. Data collection was done using survey questionnaire method. The data were analyzed in terms of correlation analysis using statistical packages for social sciences (SPSS) software. The hypothesis test was H1: The total quality management dimensions have positively effect on the organization performance.

RESULT AND DISCUSSION

Statistical Analysis

The results of the descriptive statistics analysis are shown in Table 1. These results in Table 1 indicates a positive impact of quality management on the organizational performance, higher T- statistics indicate a significant impact of quality management on the performance in Saudi organizations.

Table 1: Descriptive Statistics

Variable	Coefficient	Std Error	t-statistic	Prob.
C	0.535375	0.295778	1.810053	0.0797
AVRGQTQ	0.878223	0.086129	10.19654	0.0000
R-squared	0.764653	Mean dependent var		3.432773
Adjusted R-squared	0.757299	S.D. dependent var		0.971763
S.E. of regression	0.478736	Akaike info criterion		1.421689
Sum squared resid	7.334035	Schwarz criterion		1.511475
Log likelihood	-22.16872	Hannan-Quinn criter.		1.452309
F-statistic	103.9695	Durbin-Watson stat		2.339263
Prob(F-statistic)	0.000000			

Table 2 shows the result for correlation analysis. Based on Table 2, the result indicates higher correlations between the organizational performance and

quality management. Thus, this result corresponds to the hypothesis of this work that there exists a positive relationship between TQM practices and organizational performance.

Table 2: Correlation Analysis

	AVRGTO	AVRGOP
AVRGTO	1	0.8744
AVRGOP	0.8744	1

Table 3 shows the reliability analysis result. Cronbach’s Alpha is one of the most commonly used test to test the reliability of variables. These coefficients range for 0 to 1. The higher the value of the coefficient, the greater is the reliability. Based on Table 3, the overall Cronbach’s Alpha for 35 items is shown to be 0.981, which indicates that there exists a good reliability of the questionnaire data. Hence, the questionnaire has acceptable reliability to perform/ test the hypothesis.

Table 3: Reliability Analysis

Cronbach's Alpha	N of Items
0.981	35

Table 4 shows the reliability statistic for organizational performance. Based on Table 4, the Cronbach’s Alpha shows 0.910 of total value, which is acceptable for reliability.

Table 4: Reliability Statistic for Organizational Performance

Cronbach's Alpha	N of Items
0.910	7

OVERALL DISCUSSION

According to the results, the overall impact of total quality management on organizational performance is very positive. The only thing that needs to be covered is to have a proper department and implementation team that can analyze the TQM in any organization. The impact of total quality management on the skills of employees, the office environment, competition, job satisfaction and overall organizational performance is very positive. The result shows a very clear picture of the overall approach and the implementation of total quality management in any organization. The role of TQM has been realized by all major organizations and the findings of this work have also justified the role of TQM [14, 15]. In addition, each individual has recognized its benefits and advantages at every level of organization.

The key element of the results is to see how the participants unanimously agreed on their organizational approach to TQM and its impact on their work [16]. The overall working skills of the employees have improved, and healthy competition has provided more opportunities to thrive in the field. The result shows that the continuous training of employees has led them to achieve great

achievements in their field, and they are eager to learn more through this approach. People also agreed on the argument that TQM must be implemented at all levels of the company, be it employees or third-party stakeholders. This will provide a more progressive approach to the business market that will increase the company's output.

The results showed that employees consider the role of management and leadership to be very important in this whole scenario, where they will decide the direction in which the company should move. TQM techniques must be carefully analyzed before they are implemented because incorrect implementation can have a more negative impact on every single layer of the company [14, 15]. The leadership must act carefully to achieve the positive impact of this approach.

CONCLUSION

This work has examined the effects of total quality management practice on organizational excellence and performance on organization in Saudi Arabia. The findings have shown that the total quality management dimensions have positively effect on the organization performance. The positive impact of TQM cannot be denied, as the approach is currently on the market and will evolve in the future. The organization that is adopting this approach is gaining a lot of advantage over its rivals in terms of product quality, services, working environment, employee productivity and leadership vision. This approach not only gives a market edge, but also creates a more productive environment within a company where employees learn and implement that knowledge in their work. International companies are adopting this approach on a wide scale and tailoring it to their needs. The use of TQM will be more prominent in the future and more companies will be involved in this process. The result shows how important this approach is in Saudi Arabia and how it polishes the skills of employees and provides a progressive path for companies.

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