



## The Role of Total Quality Management towards Competitive Results

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**Abstract-** We are living in an era of competitions, lust, tension and anxiety. The need for good quality products is a necessity in a competitive economy as all organization services operating within the economy target goals to earn more. In order to meet this goal, developing and achieving quality product become significant. This development, to achieve the goals, was in stages i.e. from quality inspection to quality control, quality assurance and finally, Total Quality Management. The concept, Total Quality Management, as mostly accepted, can be seen as the “way of life of an organization committed to customers’ satisfaction through continuous improvement”. The impact of this concept (Total Quality Management) on organizations performance cannot be un-emphasized as these organizations under study has shown its significant, among which is achieving the organizational goals of profit maximization as well as controlling the larger share of the market. It was found here in this study that total quality Management is significantly correlated with competitive results of an organization, Based upon the findings, some bold recommendations were made to see the system enriched with total quality, management practices for excellent results.

**Keywords:** Total Quality Management, organization, quality, leadership, competitive results

### I. INTRODUCTION

Total Quality Management can be seen as being an extension of the traditional approach to quality. Quality inspection was replaced by the concept of quality control that in turn was replaced by concept of quality assurance that in turn has been superseded by Total Quality Management (Saqlain, 2020; Collard, 2020; Ansar, 2020). The need for organization to adopt the practice of continuous improvement in the face of increasing competition and challenging operating environment has necessitated the clamour for the creation of quality culture beyond relatively vague managerial statements about the need for leadership, education and recognition (Qasim, 2019; Habibullah, 2019; Binney, 2019).

Also, there had been two major contrasting views of organizational performance, one emphasizing the management of individual performance, the other focusing on the work system. Total Quality Management (TQM) rejected the suggestion that both views are mutually exclusive perspectives and assured that a balanced approach would be on the performance of individuals and on improvements in the work system, recognizing the interdependencies between these two aspects of performance. Furthermore, there had been inferences of linkage between Total Quality Management (TQM) business results and organizational performances (Nazar, 2017; Ashal,2019). The potential contribution of enhanced product and service quality to competitive advantage and financial performance, notably through the impact on costs and the ability to charge premium prices has motivated several organization to be involved in Total Quality Management (TQM) activity and the general attitude of business improvement (Fletcher,2012; Caudron,2020). A positive attempt by organization to improve structural, infrastructure, attitudinal: behavioural and methodological ways of delivering to the end customer, with emphasis on consistency, improvements in quality. Competitive enhancements all with the aim of satisfying or delighting the end customer has been paramount in the current, glamour for the implementation of Total Quality Management (TQM).

Total Quality Management must be place on sound principles, which include:

- (i) Customers’ focus
- (ii) Continuous improvement
- (iii) Co-operative teamwork
- (iv) Employees’ involvement
- (v) Committed leadership

In achieving optimum amount of quality effort to be applied in any given situation, Total Quality Management as good as it is (Bewas, 2020; Boxall, 2018). There are some factors that can make its

impact negative on competitive results. These factors taken together are known as quality barriers. These include:

- (a) Top Management Commitment
- (b) Too narrow an understanding of quality
- (c) Horizontal boundaries functions and specialization
- (d) Vested interests
- (e) Organization politics
- (f) Dishonest systems
- (g) Organizational structure
- (h) Customer expectation
- (i) Speed of Corporate action

For this study, bringing all the above-mentioned elements together, we intend see it diagrammatically, elements of Total Quality Management influencing competitive results Competitive results their below. Performance indices are taken or accepted for this study are:

- (1) Growth
- (2) Profit
- (3) Return in Investment
- (4) Product/Service Market Segments
- (5) Product/service range
- (6) Product/Service mix
- (7) Product/Service volume
- (8) Standardization
- (9) Innovation
- (10) Leader
- (11) Price
- (12) Quality
- (13) Delivery
- (14) Delivery Dependability
- (15) Product/Service Design
- (16) Brand Image
- (17) Technical Service
- (18) Process Technology
- (19) Operation Planning and Control System
- (20) Payment System
- (21) Organization structure

Total Quality Management Practices may aid competitive results with competitive results and help to check on quality barriers. Here it appears too essential to look into matter positively.

### **Statement of the Problem**

Consistency of quality is particularly important in banking industries nowadays in developing economics because of the downstream implications in its application. Any deviations from the characteristics known with a particular bank could affect its strength in attracting and holding both current and intending customers. The time dimension and varied services the banks offer coupled with the level of technology in use are measure of quality improvements over the last few years in Pakistan banking industry responses to Total Quality Management in the banking industry.

In implementing Total Quality Management tenets, some changes are inevitable, not all these changes would be well by both the staff and customers of the banks. It calls for training and retaining of staff in order to operate new technology, which emphasizes quality and reduces waste.

### **Research Questions**

The following research questions would be employed in the course of study

- (1) What are the Total Quality Management implementation strategies put in place in the banking industry of Pakistan?
- (2) What is the relationship between total quality management and competitive results observed in banking industry of Pakistan?

### **Population of the Study**

The introduction of the practice of Total Quality Management in the Banks is only a recent phenomenon. To this end, the study population would be:

- (i) Those banks that have implemented Total Quality Management for a minimum period of 5 years. This condition was to allow for a comparison of performances and results prior to the induction of Total Quality Management has been put in place.

(ii) Commercial Banks

### Sample Taken for the Study

First of all, all banks were screened to know those that have implemented Total Quality Management. A stratified random sampling procedure was adopted in choosing the 15 sampled banks from commercial Banks.

### Research Instruments

Research Instrument — Discrete research questionnaire was employed. The questions in each of the sections of the question required the respondent to merely show his/her degree of observation of the variable as it reflects his/her opinion on 5-point likert-scale.

### Questionnaire Administration

In all, a total of 60 questionnaires were administered in 15 banks who have implemented Total Quality Management for upwards of 5 years and three categories of respondents were selected randomly and administered on bank branch officers as follows:

1. Bank Operation officer
2. Branch Bank Managers
3. Bank Accountants

### Data Analysis

The statistical tool for this research is Correlation analysis to explain the cause effect relationship that exists between Total Quality Management and Competitive Results in Banking Industry of Pakistan. The data was analysed using descriptive statistics and correlation to answer the two research questions of the research study

## II. RESULTS

**Research Question 1:** What are the Total Quality Management implementation strategies put in place in the banking industry of Pakistan?

### Response on Key Areas of Performance for Competitive Results

Key Areas Of Performance Quality	Mean Response	Standard Deviation
Growth	3.18	0.42
Profit	4.13	0.32
Return on Investment	3.76	0.39
Product/Service Market Segments	3.98	0.43
Product/Service Range	4.11	0.65
Product/Service Volume	3.65	0.47
Standardization	3.02	0.32
Innovation	3.12	0.21
Leadership	3.00	0.32
Quality	2.98	0.39
Delivery Speed	3.54	0.43
Delivery Dependability	3.05	0.32
Product /Service Design	3.98	0.54
Brand Image	2.98	0.43
Training, Location and Capacity	3.07	0.21
Operation Planning and Control System	3.43	0.27
Payment System	3.09	0.21
Organization Structure	3.26	0.23
Technical Quality	2.93	0.29

The mean response ranges from 2.93 to 4.13. And what this implies, according to responses key used in the questionnaire, is that some mean responses are very close to 4 (which represent very significant response) and these key areas of performance are taken into practice with the satisfactory level significantly as perceived by the respondents

**Research Question 2:** What is the relationship between total quality management and competitive results observed in banking industry of Pakistan?

With the data analysis, it was found there is a strong ( $r = 0.65$ ,  $p \leq 0.05$ ) correlation between Total Quality Management and Competitive Results

### III. CONCLUSIONS

This study was concerned with the effect of Total Quality Management for Competitive results of banking industry in Pakistan. The relationship between the following essentials of competitive results were investigated:

(i) Total Quality Management principles and key performance areas of Banking industry in Pakistan

(ii) Total Quality Management implementation Strategies and key performance areas of Banking Industry in Pakistan

(iii) Element of Total Quality Management and key performance areas of Banking Industry in Pakistan

(iv) Quality barriers and key performance areas of banking industry in Pakistan

(v) Cost of Quality and key performance areas of Banking Industry in Pakistan

Among the issues discussed in the literature as key performance areas of business, innovation and quality of products were agreed upon to be very significant in the Banking Industry in Pakistan and while other were accepted as just being significant for Total Quality Management success in banking industry of Pakistan.

The Study further discovered that:

Among the issues discussed in the literature, the relationship between:

Principles of Total Quality Management and key performance area were found to be nil or little between:

1. Customers' Focus Profit, return on investment, Innovation, operation planning and Control system and payment system

2. Co-operative Teamwork Growth, image, technical services, Process technology and operation Planning and control system.

3. Employees' Investment Brand image, technical service, Capital, size, training, location, Capacity and operation planning and Control system.

4. Senior Management Profit, Technical service, process Commitment technology; capital, size, training, location, capacity, Payment system and organization structure.

The overall level of the TQM practices was found as satisfactory. The total quality Management proved a bold determinant of competitive results in an organization.

### IV. RECOMMENDATIONS

Based upon the findings of this study, it is recommended that all public organization particular our banking system must ensure total quality management practices for competitive results. It will be equally beneficial for the bank, employees and customer.

Here in Pakistan, nothing is available as genuine or original. Purchasing a simple table of paracetamol, one is too confused to dispose it in dustbin on the way to his home. Even life saving drugs are not as original to be served to a heart patient. Most of the patients are died of fake medicine openly sold on commission. In this environment, it seems imperative to look into quality control. Key Performance indicators must be shown at all levels enriched with top quality for competitive results. Performance appraisal system besides quality control must be guaranteed for implanting Total Quality Management for better and competitive results in Pakistan.

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