

## **ORGANIZATIONAL PERFORMANCE AS AN OUTCOME OF TQM PRACTICES: AN EVALUATION**

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### **Abstract:**

Total quality management (TQM) has been highlighted an important factor in enhancing organizational performance in businesses. Many studies have been conducted to better understand how organizational performance is impacted by TQM, sustainability, and organizational culture. TQM has develop a criticalsupport for development and growth as a result of the manufacturing sector's persistent growth and expansion worldwide. Although they may differ in industrial firms, TQM procedures are believed to be essential for a successful implementation of TQM. Nonetheless, it remained shown that organizational performance can be reached if TQM procedures are used correctly in industrial firms. This study was carried out to investigate how TQM practices, sustainability, and organizational performance are related, as well as to demonstrate how these elements have an effect on organizational performance. Information for this research came from a questionnaire examination conducted in industries. The inquiry employed factor analysis and confirmatory factor analysis as its analysis techniques (CFA). According to the study's findings, through quality management and sustainability are the two most important tactics for the manufacturing sector's performance success. The data show that TQM, sustainability, and organizational performance are all positively correlated. Based on these findings, aoutline was created to investigate the associationamong crucial TQM practices, sustainability, and organizational performance. There is widespread agreement that overall quality management can increase organizational performance while preserving a competitive advantage.

**Keywords:**Organizational performance, Sustainability, Exploratory factor analysis,TQM practices

## **Introduction**

Total Quality Management was created for enhancing organizational performance because it was founded on the idea that performance could only be achieved in a high-quality, real-world situation and that this could only be achieved through all members of the organization cooperating to sustainably improve processes over time. Throughout the past 20 years, TQM has been used by organizations to improve all aspects of execution, including quality and development. Whole quality management is a technique of setting up each task in a way that is specific to each person at each step. A concept for whole quality management prioritizes defect prevention above fault detection. Both the quality of an organization's products and the satisfaction its customers are crucial for survival in the intensely competitive market of today. TQM has gained widespread recognition in recent years as a tactic that, when used well, may provide a business a competitive advantage employed by organizations.

Whole quality management has a number of advantages, such as higher-quality products, satisfied customers, cost savings, and enhanced financial, quality, and innovative performance. In order for enterprises to thrive in the constantly expanding global market, quality is now recognized as the most important economic criterion. Quality affects a manufacturing company's financial performance. Customer satisfaction and quality depend on staff motivation and rewards in order for productivity to rise. Each relationship between a TQM factor and sustainability and performance has been explored in this study in instruction to better appreciate the belongings of management, customers, employees, and processes on organizational performance at TQM. Using both internal and external benchmarks, organizational performance analysis examines a company's performance. The most widely used concept in business measurement is organizational performance effectiveness.

A company's success can be evaluated based on how well it accomplishes its strategic and financial objectives. The performance of the company is, nonetheless, positively impacted by TQM. Sustainability is essential to an organization's success. One cannot overstate how important sustainability is to a company's success. The organizational objective describes the course the firm is pursuing in regard to its objectives and the business environment.

Sustainability offers methods for expanding while preserving the financial, social, and natural resources for the present and the future.

The effectiveness with which an organization achieves its goals is used to measure its performance, but doing so while also taking sustainability and whole quality management into account is quite difficult. This has an impact on the company's social and environmental stances and creates research gap which needs to be filled. Focusing on the association among TQM, sustainability, and presentation is only made more logical by these considerations. This study aims to pinpoint the fundamental principles of sustainability and total quality management (TQM) and their effects on OP.

### **Literature review**

When used to refer to carrying out military orders and directives in the sixteenth century, the word "performance" had a different meaning (Lawson, 1995). Yet, the meaning of performance as it is used now relates to a point attained by the application of tactics intended to achieve a specific goal. The outcomes that "an employee accomplishes by successfully completing a stated task within a specific time frame" are what is meant by performance, in other words (Kaplan and Kaplan, 2018). Performance evaluation is essential for efficient management of a business. Several scholars have examined the connection between quality approaches and performance using a variety of performance types, including inventive, financial, commercial, quality, and operational performance (Hassan et al., 2012). Performance demonstrates how a business carries out its objectives and mission. TQM is frequently described as a feast of variables. The link between performance and total quality management has been the subject of numerous studies (Agrawal & Tiwari, 2014). Often, societal and public needs form the foundation of an organization. Organizations must develop partnerships with other components in order to achieve their goals. Managers must create strategies to address this critical issue if they want to improve the performance of the organization (Taleghani et al., 2013).

Sustainability performance is described as a "blend of its social, environmental, and economic performance in all extents and for all elements of company sustainability" (Rai,

2018). The development of a business perspective that considers economic, environmental, and social factors is known as sustainability (Abdul Rashid et al., 2017). An organization's link to its social, economic, and environmental performance is referred to as sustainability (Eccles et al., 2014).

The results of significant research into the relationship between TQM and performance have been contradictory. Earlier research has found a positive connection between total quality management and an organization's success. Before, only the industrial sector used whole quality management; today, the public and service sectors make extensive use of it (Al-Dhaafri&Alosani, 2018). TQM can be used across many sectors, including manufacturing and services (Saleh & Hasan, 2015). A significant investigation of the connection between thorough quality control and organizational effectiveness was carried out by (Mohammed et al., 2014). Many studies have shown that the use of whole quality management enhances performance (Kumar et al., 2009). In the cutthroat market of today, businesses must focus on increasing quality and innovation. The relationship between TQM and total quality performance is strong and favorable. Prioritizing lifting the standard for quality and innovation must be a business priority (Hassan et al., 2012).

Quality, in accordance with TQM, is a long-term company strategy with the goal of providing products and services that satisfy the explicit and implicit needs of both internal and external consumers. Consistency, tenacity, and long-lasting performance are fundamentally a result of the measurement problem. Companies employ the management approach known as "total quality management" to find, fix, and eliminate any flaws in their production process in order to raise the overall quality of their product (Hamdan &Alheet, 2011). But maintaining systems for the long run while considering economic, environmental, and social factors is what is meant by sustainability (Abbas, 2017).

The dual significance of organizational performance and sustainability must be considered right now. A study was conducted with the goals of identifying the essential elements of learning, assessing learning performance, and fostering efficient sustainability. The conclusions are presented as a framework for sustainable learning and performance (Ofei-

Manu &Didham, 2018). Researchers in operations management (OM) discovered that there has been an upsurge in practitioners' interest in sustainability and how it relates to performance (Magon et al., 2018). Hristov and Chirico provided a new viewpoint on how to incorporate sustainability challenges into business plans in their 2018 analysis of KPIs that effect firm performance.

In the era of global economic marketplaces, both large and small organizations must have a comprehensive quality management strategy if they wish to increase performance in the more globalized market. Yet, an examination of the literature reveals many unfilled research gaps. The effective accomplishment of objectives is one of the main objectives of successful companies. Even yet, it can be difficult to finish the performance while still producing social goods with limited resources. That is not possible when taking sustainability and whole quality control into account. Research on performance enhancement utilizing TQM and sustainability principles is lacking. In order to improve both sustainability and performance, this study contends that it is essential to identify the key TQM and sustainability components that affect an organization's performance. It also offers a few managerial visions for doing so.

### **Research questions**

- To see the TQM practices in action and assess their impact on organizational performance.
- It is important to assess operational, sustainable, and social performance in relation to sustainability practices.
- To research the sustainability practices deemed crucial for TQM and organizational success.
- Sustainability and TQM principles are related.

### **Research methodology**

The relevant correlations between the study's variables were examined using the quantitative analysis technique in order to test the proposed theoretical framework. A questionnaire survey was used to acquire information about the industrial sector for the study. The methodology used in this study describes how manufacturing companies actually perceive

quality. A questionnaire survey was used as a research instrument to compile the responses from industrial companies.

## **Results**

The findings of this study indicate the significance of putting TQM methods into practice by demonstrating how they significantly and favorably affect a number of organizational performance and sustainability-related factors. Each of these performance categories can be improved by firms that successfully implement TQM practices. Understanding the connections between TQM, sustainability, and OP in the industrial sector was made possible through research. The Pearson correlation values reveal a strong link. Total quality management and sustainability have a very high positive association, according to the results of the Pearson correlation test ( $r=0.746$ ,  $p>0.000$ ). A TQM-based regression study showed a 55% variation in sustainability ( $R\text{-square} = 0.557$ ). The Pearson correlation shows a favorable association between TQM and an organization's performance.

The findings show a strong positive correlation between TQM and OP ( $r=0.919$ ,  $p>0.000$ ). TQM explains 77% of the variation in performance, according to regression analysis ( $R\text{-square}=0.770$ ). The Pearson correlation findings reveal a strong correlation between sustainability and OP. A substantial correlation between OP and sustainability was found using the Pearson correlation method ( $r=0.877$ ,  $p>0.000$ ). According to a regression analysis ( $R\text{-square} = 0.843$ ), sustainability explains 84 percent of the variation in performance. The findings of the regression analysis used to assess the hypotheses showed that they are sound. The final section shows how overall quality management and sustainability strategies affect OP and demonstrates their beneficial effects. The values ( $r=0.963$  and  $r^2=0.928$ ) are both significant. This analysis indicates that major adjustments are needed in the manufacturing sectors of Hyderabad and Karachi. The results, which are presented here, show that all TQM approaches have a statistically significant impact on organizational performance (OP) and sustainability. This suggests that adopting comprehensive quality management techniques and sustainable practices can improve an organization's performance.



### Analyses of correlation and regression

The Pearson correlation coefficient has a range of potential values (from +1 to -1). There is no association between the two variables, as indicated by a value of 0. Positive relationships have a value greater than 0, indicating that when one variable's value increases, so does the assessment of the other variable.

#### Demonstrates the relationship between TQM, sustainability, and organizational performance and its effects

Variables	Pearson correlation R	R <sup>2</sup>	Std. error of estimate
TQM & Sustainability	0.746**	0.557	0.30929
TQM & OP	0.877**	0.770	0.18530
Sustainability & OP	0.919**	0.845	0.15183

\*\*Correlation is significant at the 0.01 level (2-tailed).

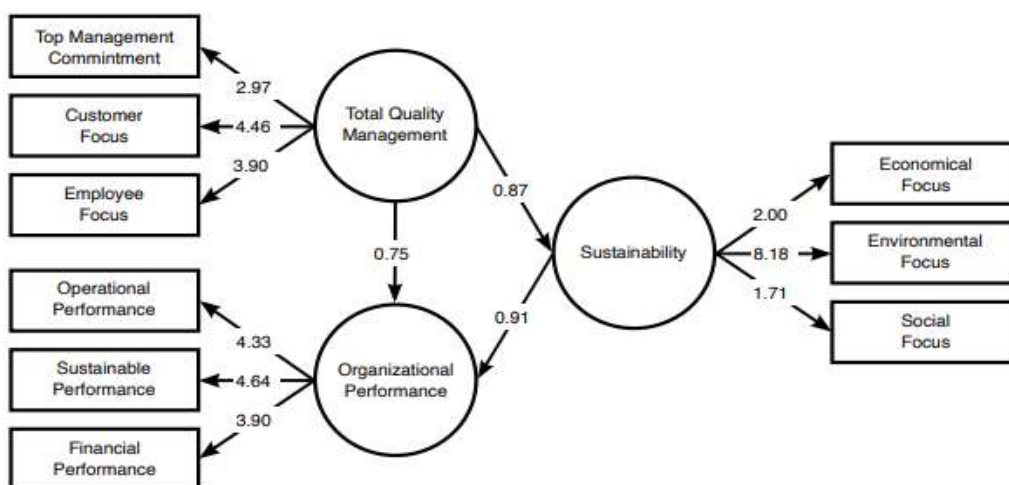
Comparison of TQM, sustainability, and OP The impact of thorough quality management and sustainability on OP is depicted in the previous Table. The positive results are shown by the correlation coefficients between these variables of  $r=0.963$  and  $r^2=0.928$ ,  $p<0.000$ .

#### Summary of model 2

Summary of Model				
Model	R	R <sup>2</sup>	Adjust R <sup>2</sup>	Std. Error of the Estimate
1	0.963 <sup>a</sup>	0.928	0.926	0.10448

<sup>a</sup>Predictors: (Constant), mean\_sus, mean\_tqm

### Total quality management (TQM), sustainability, and organizational performance final framework



#### Research framework

## **Discussion**

This study examined the relationships between organizational performance, sustainability, and total quality management (TQM) (OP). The initial objective was to ascertain the relationship between TQM and sustainability as well as how it impacts organizational performance. The study demonstrates a positive connection between sustainability and total quality control. The results of this study's literature review showed how important TQM is and how it relates to sustainability. The study also demonstrates a direct link between complete quality management and an organization's performance. The outcomes of TQM and OP disproved several past studies. The study's conclusions ought to be known by the management of Hyderabad's and Karachi's manufacturing sectors. It gives managers advice on the best actual components that should be taken into consideration in a quality program and which programs they should accept due to the considerable expense of quality failure and re-establishment. These results also provide answers to the study's research questions. The second objective looked at how sustainability impacts organizational performance. The results indicate a significant and favorable relationship between these two variables. According to the study's findings, the manufacturing industry tries to focus on competitive tactics that are doable ways to accomplish their goals. The results demonstrate that sustainability improves organizational effectiveness. To achieve high quality, managers must focus on the organization's sustainable environment. The final goal was to create a TQM, sustainability, and performance framework. This study also responds to the research questions.

## **Conclusion**

Understanding TQM, sustainability, and organizational performance were all facilitated by this study. This research shows that TQM improves performance and sustainability. In this study, the relationships between TQM and sustainability as well as performance were examined. These results imply that TQM and sustainable culture should be given more attention by manufacturing companies. This study demonstrates how TQM practices directly affect OP and sustainability. The results show the value of TQM and sustainability practices in industrial organizations and the need for their use. This research also establishes a framework that aids in the financial performances of the industries. The findings indicated



that in order to be successful, one must concentrate on the high impact practices of leadership, customer satisfaction, continuous improvement, training and education, and customer relations. In a similar vein, firms employing TQM must abide by key sustainability concepts such as research and development, social responsibility, cost control, and waste minimization. This study provides more support for the conceptual model idea. This model demonstrates the positive relationship between total quality management (TQM) techniques and organizational performance. This study addressed the research questions.

Leadership, continuous improvement, customer satisfaction, training and education, and customer interactions are the main activities that have the biggest an impact on the performance of a firm. The answer is that organizational performance and sustainability have a positive relationship, as indicated in the above table ( $r = 0.877$ ). The argument is that cost management, social perception, research and development, waste reduction, and pollution are the high impact activities of sustainability. TQM and sustainability performance are correlated in the table, with a  $r$  value of 0.919 indicating a substantial link. The first objective is to establish a connection between TQM and organizational performance.

The findings indicate a strong and significant association between TQM organizational performance. The second objective was to investigate how sustainability impacts an organization's performance. The findings indicate a strong and positive association between these two variables. The findings of this study suggest that manufacturing businesses try to focus on competitive tactics that aid in the accomplishment of their strategic goals. The third objective was to provide a framework for TQM, sustainability, and organizational performance. The values in the final figure show how these three variables have a significant impact and are positively correlated.

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