

**THE IMPACT OF TQM PRACTICE ON THE
EMPLOYEE'S JOB SATISFACTION**

BY

YIP WAH FATT

Thesis Submitted to the College of Business,
Universiti Utara Malaysia,
in Fulfillment of the Requirement for the Master of Science (International Business).

PERMISSION TO USE

In presenting this project paper in partial fulfillment of the requirements for a post graduate degree from Universiti Utara Malaysia, I agree that the University Library make a freely available for inspection. I further agree that permission for copying of this project paper in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in his absence by the Dean of Research and Innovation. It is understood that any copying or publication or use of this project paper or parts thereof for financial gain shall not be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my project paper.

Request for permission to copy or to make other use of materials in this project paper, in whole or in part, should be addressed to:

**Dean of
Research and Innovation
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman**

ABSTRACT

Total quality management (TQM) is a systematic continuous quality improvement approach used by the manufacturer to improve their quality aspect. It is also focus on the human resources control in the business or organisation environment. TQM needs full support of the organisation and organisation commitment continually in the long period to improve the quality and organisation performance. There are many factors and barriers that affect the TQM implementation in the organisation. The changes of the market, the customer requirements and the quality requirement will make it difficult for the organisation to implement the total quality management in the organisation. The biggest barrier is the misconception of the quality that often occurs between management team and the employee within the organisation. It is lack of TQM research that focuses on the Malaysia industries. The purpose of this research is to test whether leadership, employees' participation, education and training have any influence on employees' job satisfaction in Malaysia organisation. The main problem of this study is to determine reason of the increasing employees' turnover occurs in Onkyo Corporation. The research objective is to determine factors that influence the employees' job satisfaction. The questionnaire has been used to collected data and is used SPSS to test the correlation between variables. The findings of the study show that leadership, employee participation, education and training have positively influence employees' job satisfaction in Malaysia organisation. In the hypothesis testing, it shows that employee participation have the highest influence as compared to leadership and education and training. Therefore, it is important to encourage the employee involvement in TQM implementation. It can be concluded that leadership, employee participation, education and training are positively correlated with employees' job satisfaction in the organisation.

Keywords: Total quality management (TQM)

ACKNOWLEDGEMENTS

I would like to express my profound gratitude to Assoc. Prof. Dr. Mohammad Basir Saud for his supervision throughout the period of this study. I appreciate the valuable advises, constant guidance, willingness and encouragement given by my supervisor.

It has been truly memorable and educative being a researcher under his supervision. Without his help and support, this thesis would not have been implemented successfully. I would like to apologize to those I do not mention their name here. However, I highly thank you for your kind support and help in finishing the thesis.

I am grateful to the entire friends at postgraduate College of Business who has assisted me in my efforts towards completing this thesis. Without their mental and physical support, I would not finish the thesis on time. I would like to thank Mr. Mohammad Zahir Bin Amil at Onkyo Corporation for his willingness in assisting me to obtain the data. I also appreciate for all the respondents that have participated in this study.

Sincerely

YIP WAH FATT

TABLE OF CONTENTS

PERMISSION TO USE	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ABBREVIATIONS	xi
LIST OF EXAMPLES AND APPENDICES	xii

CHAPTER 1 INTRODUCTION

1.0 An Overview	1
1.1 Background of the study	2
1.2 Problem Statement	4
1.3 Research Questions	5
1.4 Research Objectives	5
1.5 Significance of Study	6
1.6 Scope and Limitations of the study	6
1.7 Organization of the Study	7

CHAPTER 2 LITERATURE REVIEW

2.0	Introduction	9
2.1	Concept from the Quality Gurus	9
2.1.1	Deming's Approach to TQM	10
2.1.2	Juran's Approach to TQM	11
2.1.3	Crosby's Approach to TQM	12
2.1.4	Feigenbaum's Approach to TQM	14
2.1.5	Ishikawa's Approach to TQM	15
2.1.6	Summary of TQM Concepts	15
2.2	Theoretical Foundation	17
2.2.1	Leadership	18
2.2.2	Employee Participation	19
2.2.3	Education and Training	20
2.2.4	Employee satisfaction	22
2.3	Theoretical Framework	23
2.4	Conclusion	24

CHAPTER 3 RESEARCH METHODOLOGY

3.0	Introduction	25
3.1	Hypotheses	25
3.2	Research Design	27

3.3	Instrument	28
3.4	Measurement of variables	29
3.5	Data Selection	30
	3.5.1 Primary Data	30
	3.5.2 Secondary Data	31
3.6	Sampling	31
3.7	Data Collection Procedures	32
3.8	Reliability and Validity tests	33
3.9	Technique of Data Analysis	33
3.10	Conclusion	34

CHAPTER 4 RESEARCH FINDING

4.0	Introduction	35
4.1.0	Reliability Analysis	35
4.1.1	Reliability Analysis for Independent and dependent variables	36
4.2	Descriptive analysis	37
4.3	Pearson Correlation Coefficient analysis	41
4.4	Conclusion	45

CHAPTER 5 DISCUSSIONS, RECOMMENDATION AND CONCLUSION

5.0	Introduction	46
5.1	Discussion	46

5.2	Recommendations	48
5.3	Future Research Perspectives	49
5.4	Conclusion	50
BIBLIOGRAPHY		51
APPENDICES		

LIST OF TABLES

Table 2.1: Comparison of the Quality Gurus in the Key Elements	17
Table 4.1: Rule of Thumbs about Correlation Coefficient Size	41
Table 4.2: Summary of Hypotheses Result	46

LIST OF FIGURES

Figure 2.1: Conceptual Framework on the Factors that affected the Employees' Job Satisfaction	23
Figure 4.1: Reliability Statistics for Dependent and Independent Variables	35
Figure 4.2: Reliability Statistics for Independent Variables	36
Figure 4.3: Reliability Statistics for Dependent Variable	37
Figure 4.4: Gender of respondents	38
Figure 4.5: Age of respondents	38
Figure 4.6: Race of respondents	39
Figure 4.7: Marital status of respondents	39
Figure 4.8: Department of respondents	40
Figure 4.9: Pearson Correlation Coefficient Table	45

LIST OF ABBREVIATIONS

TQM	= Total Quality Management
SPSS	= Statistical Package Social Science
PDCA cycle	= Plan, Do, Check and Act cycle
SPC	= Statistical process control

LIST OF APPENDICES

Appendix A Questionnaires

Appendix B SPSS Output

Chapter One

Introduction

1.0 An Overview

Total quality management (TQM) is a philosophy that focuses on the quality control in order to achieve the lowest manufacturing costs, increase productivity and the firm profits. Total quality management (TQM) is the effective ways to overcome the quality problems because TQM is a never ending process to improve the quality level in the firm. TQM help the firm continues improvement in quality to satisfy the customers' requirement (Thamizhmanii and Hasan, 2010).

Besides that, an effective TQM implementation can improve the firm's competitive ability and provide quality advantages in the market. Firms need to spend time and effort in the implementation TQM to fulfil the requirement of total quality management philosophy. In addition, TQM practice can improve the communication between firms and within their employees (Leonard and McAdam, 2003). Moreover, the implementation of TQM can also increase the quality of the product or services. In the end, it will increase the customer satisfaction.

TQM can be viewed as an integrative management concept for improving the quality of goods and services delivered in the long period through the involvement of all levels of employees in the different departments in the firm. TQM needs commitment from all employees in the organisation to transform the quality into goods and

The contents of
the thesis is for
internal user
only

Bibliography

Abdullah, A. (2010). Measuring TQM implementation: a case study of Malaysian SMEs. Vol. 14, No. 3, pp. 3-15.

Al-Marsumi, M. (2009). Total Quality Management in the Top Rank of the Dairy Industry in Jordan. *Jordan Journal of Mechanical and Industrial Engineering*. Vol. 3, No. 1, pp. 47-58.

Baidoun, S. (2003). An empirical study of critical factors of TQM in Palestinian organizations. *Logistics Information Management*, Vol. 16, No. 2, pp. 156-171.

Bhat, K.S., & Rajashekhar, J., (2009). An empirical study of barriers to TQM implementation in Indian industries. *TQM Magazine*. Vol. 21, No. 3, pp. 261-272.

Boselie, P., & Wiele, T., V., D, (2002). Employee perceptions of HRM and TQM, and the effects on satisfaction and intention to leave. *Managing Service Quality*, Vol. 12, No. 3, pp. 165-172.

Cangemi, R., R., (1993). Total Quality Management: Nature and evolution of Total Quality Management. *Journal of Food Distribution Research*, pp. 1-6.

Das, A., Kumar, V., & Kumar, U., (2010). The role of leadership competencies for implementing TQM. *International Journal of Quality & Reliability Management*, Vol. 28, No. 2, pp. 195-219.

Dilber, M., Bayyurt, N., Zaim, S., & Tarim, M., (2005). Critical Factors of Total Quality Management and Its Effect on Performance in Health Care Industry: A Turkish Experience. *Problems and Perspectives in Management*, pp. 220-235.

Ehigie, B. O. & McAndrew, E. B. (2005). *Innovation, diffusion and adoption of total quality management*. Journal Management Decision, Vol. 43, No. 6, pp. 925-940.

Fotopoulos, C.V., & Psomas, E.L., (2009). The impact of “soft” and “hard” TQM elements on quality management results. *International Journal of Quality & Reliability Management*, Vol. 26, No. 2, pp. 150-163.

Fotopoulos, C.V., & Psomas, E.L., (2010). The structural relationships between TQM factors and organizational performance. *TQM Journal*, Vol. 22, No. 5, pp. 539-552.

Guimaraes, T., (1996). TQM’s impact on employee attitudes. *The TQM Magazine*, Vol. 8, No. 1, pp. 20-25.

Higgins, J., (2005). The Correlation Coefficient. *The Radical Statistician*, pp. 1-26.

Islam, R. & Mustapha, M. R. (2008). Organizational Approach to Total Quality Management. *Asian Journal of Business and Accounting*, Vol. 1, No. 2, pp. 19-38.

Jime'nez, D.J., & Costa, M., M.,(2009). The performance effect of HRM and TQM: a study in Spanish organizations. *International Journal of Operations & Production Management*, Vol. 29 No. 12, pp. 1266-1289.

Joiner, T.A., (2006). Total quality management and performance: The role of organization support and co-worker support. *International Journal of Quality & Reliability Management*, Vol. 24, No. 6, pp. 617-627.

Karia, N. & Asaari, Mohd. H. A. H. (2006). The effects of total quality management practices on employees' work-related attitudes. *The TQM Magazine*, Vol. 18, No. 1, pp. 30-43.

Knouse, S.,B., Carson, P.P., Carson, K., D, & Heady, R., B, (2009). Improve constantly and forever: The influence of W. Edwards Deming into the twenty-first century. *The TQM Journal*, Vol. 21, No. 5, pp. 449-461.

Kumar, R., Garg, D. & Garg, T.K., (2010). TQM success factors in North Indian manufacturing and service industries. *TQM Journal*, Vol. 23, No. 1, pp. 36-46.

Leonard, D. & McAdam, R, (2003). An evaluative framework for TQM dynamics organisations. *International Journal of Operations & Production Management*, Vol. 23, No. 6, pp. 652-677.

Lorente, A.,R., Dewhurst, F., & Dale, B.,G., (1998). Total quality management: origins and evolution of the term. *The TQM Magazine*, Vol. 10, No. 5, pp. 378-386.

Miyagawa, M. & Yoshida, K., (2010). TQM practices of Japanese-owned manufacturers in the USA and China. *International Journal of Quality & Reliability Management*, Vol. 27, No. 7, pp. 736-755.

Ooi, K.,B., Arumugam,V., Teh, P.L.,& Chong, Y.,L.,(2008). TQM practices and its association with production workers. *Industrial Management & Data Systems*, Vol. 108, No. 7, pp. 909-927.

Petersen, P., B., (1999). Total quality management and the Deming approach to quality management. *Journal of Management History*, Vol. 5, No. 8, pp. 468-488.

Psychogios, A.,G.,& Priporas,C.,V, (2007). Understanding Total Quality Management in Context: Qualitative Research on Managers' Awareness of TQM Aspects in the Greek Service Industry. *The Qualitative Report*, Vol. 12, No. 1, pp. 40-66

Salaheldin, S. I. (2008). Critical success factors for TQM implementation and their impact on performance of SMEs. *International Journal of Productivity and Performance Management*, Vol. 58, No. 3, pp. 215-237.

Sekaran, U. (2003). *Research Methods For Business*. New York: John Wiley & Sons, Inc.

Thamizhmanii, S. & Hasan S. (2010). A review on an employee empowerment in TQM practice. *Journal of Achievements in Materials and Manufacturing Engineering*, Vol. 39, No. 2, pp. 204-210.

Ugboro, I.O., & Obeng, K.,(2000). Top management leadership, employee empowerment, job satisfaction and customer satisfaction in TQM organizations: an empirical study. *Journal of Quality Management*, Vol. 5, pp.247-272

Appendix A

Questionnaires