TOTAL QUALITY MANAGEMENT INFLUENCE THE LOGISTICS PERFORMANCE OF PHARMACEUTICAL INDUSTRY IN CHINA

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By
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Thesis Submitted to the
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Master of Sciences (Management)
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ABSTRACT

One of key issues of China pharmaceutical industry is inefficient logistics. Logistics plays an important role in organization operating. Therefore, organization requires seeking the method to improve logistics performance. The purpose of this study was to investigate the relationship between total quality management and logistics performance in pharmaceutical industry in China. The sample of this study was the 121 employees of Furen pharmaceutical industry in Henan province, China. For this purpose survey method was used by questionnaire as instrument for data collection. In this study, regression analysis method and correlation analysis method are used to analysis the correlation between independent variables and dependent variable. The research results have shown that Furen pharmaceutical industry has high implementation in total quality management at current stage. Meanwhile, employee involvement, customer focus, leadership and continuous improvement as items of total quality management are significantly influence logistics performance. The study faced several limitations such as time constraints and budget constraints which limited this study only have one pharmaceutical industry. The finding of this study has some contributions for future research and organization’s logistics development.

Keywords: Total quality management; Logistics performance; Pharmaceutical industry; China
ABSTRAK


Kata kunci: Pengurusan kualiti menyeluruh; Prestasi logistik; Industri farmasi; China
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>EI</td>
<td>Employee Involvement</td>
</tr>
<tr>
<td>MBNOQ</td>
<td>Malcolm Baldrige National Quality Award</td>
</tr>
<tr>
<td>QC</td>
<td>Quality Control</td>
</tr>
<tr>
<td>QI</td>
<td>Quality Inspection</td>
</tr>
<tr>
<td>QM</td>
<td>Quality Management</td>
</tr>
<tr>
<td>RMB</td>
<td>Chinese Yuan</td>
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<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
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<td>TQM</td>
<td>Total Quality Management</td>
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CHAPTER 1
INTRODUCTION

1.1 Background of the Study

In today competitive world, enterprises need to rapidly realize customer needs and fulfill the customer demands, as well as logistics industry needs to efficiency carry the material and product. Manufacturer need to receive material from supplier and send the finished goods to customer. There is no longer of manufacturing and marketing independently existed of each other (Ngwainbi, 2008). Therefore, to reduce operation cost and improve the customer satisfaction as important functions of logistics management. Nowadays, both locally and globally manufacturing industry and service industry were implementing quality management system (Adnerson, Jerman & Crum, 1998). Because the quality of product comes from customer demand and end with customer satisfaction. On the other hands, leadership as main aspect of quality management program, leaders provide the direction of the organization; therefore, good relationship is significantly to enhance quality through organization.
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