

**TOTAL QUALITY MANAGEMENT STRATEGY AND ITS IMPACT  
IN BANKING ORGANIZATION**

**A CASE OF CRDB BANK, DAR ES SALAAM**

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**A CASE OF CRDB BANK, DAR ES SALAAM**

**BY**

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A Dissertation submitted to Mzumbe University as partial fulfillment of the requirements for Award of the Degree of Master of Business Administration (MBA) - Corporate Management.

**October, 2014**

## DECLARATION AND COPYRIGHT

I hereby declare that this submission is my own work towards Masters of Business Administration and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university except where due acknowledgement has been made in the text.

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**CERTIFICATION**

The undersigned certify that they have read and here by recommend for acceptance by the Mzumbe University, a dissertation entitled “**total quality management strategy and its impact in banking organization – The case study of CRDB Bank**, in partial/fulfillment of the requirements for award of the Degree of Master in Business Administration of Mzumbe University.

.....

Major supervisor

.....

Internal Examiner

Accepted for the board of

.....

**DEAN DIRECTOR /FACULTY/DOCTORATE/SCHOOL/BOARD**

## **DEDICATION**

I dedicate this work to my Dad and Mum Mr. and Mrs. Giliard Masamu for their moral and material support during my studies.

## ACKNOWLEDGEMENTS

Firstly and foremost, I am grateful to God for keeping me health throughout the time I was Conducting this study.

When I look so tall it is because I have stood on the shoulders of the giants. This work is a result of several individuals who in one way or another have contributed a lot to the successful accomplishment of this dissertation; their contribution is indeed appreciated. In that regard, I feel obliged to mention few of them.

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## LIST OF ABBREVIATIONS

ATM	Automated Teller Machine
CFS	Customer focus/ Satisfactory
CI	Continuous Improvement
CRDB	Cooperative Rural Development Bank
EET	Employee Empowerment and Training
EFQ	European Foundation for Quality.
GAO	General Accounting Office
GOT	Government of Tanzania
ISO	International Standards for Organizations
NGO	Non Governmental Organizations
QC	Quality Circle
QM	Quality Management
QMB	Quality measurement and Benchmarking
TMC	Top Management Commitment
TQM	Total quality management
TZS	Tanzania Shillings
UN	The United Nation

## **ABSTRACT**

Total Quality Management (TQM) is a management approach for an organization centered on quality, based on the participation of all its members and aiming at long term success through customer satisfaction and benefits to all members of the organization and to society .This research work therefore aimed at assessing the TQM practices and its effect on organizational performance at CRDB Ltd. The company needs to find ways to surviving in the increasing competitive market and TQM as a strategic

Management tool can be used for improving the competitiveness, effectiveness and flexibility of the whole organization. A population of 120 workers comprising both senior and junior staff was used for the study. Due to the relatively small number of workers at CRDB, the whole population was used for the study. Primary data for this research was collected using a well designed and structured questionnaire which was made up of both close ended and open ended questions. The key findings showed that CRDB is practicing TQM but it is yet to implement it to the highest level of subscribing to a quality award system. The implementation of TQM is at the quality assurance level.

It was found out that management inactions undermined leadership commitment to quality and rendered TQM practices ineffective. It was concluded that there was the need to procure modern equipment to boost production. Again the firm needs to diversify key portfolio in order to spread the overhead cost. Management must work to build trust amongst staff to improve on team work. It is also recommended that the company subscribe to a quality award system.

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## CHAPTER ONE

### 1.0 Introduction

Quality is more than just "doing the right thing and doing the thing right!" It is about people staff, and community. It is about servicing their needs, meeting and exceeding their expectations.

### 1.1 Background of the problem

Total Quality Management (TQM) is a management philosophy which focuses on the work process and people, with the major concern for satisfying customers and improving the organizational performance (Feigenbaum, A.V. (1945). It involves the proper coordination of work processes which allows for continuous improvement in all business units with the aim of meeting or surpassing customer's expectations. It emphasizes on totality of quality in all facets of an organization with the aim of reducing waste and rework to reduce cost and increase efficiency in production. Juran (1983) explains that TQM is applicable to any organization irrespective of size, and motives, even the public sector organization are fast adopting the ideology in order to make them effective in meeting public demands. However, the adoption of the ideology by most organization has been hampered due to their non compliance with the procedures and principles of TQM implementation. While some organization, run TQM like a program which they expect to function and perform the magic all by itself, others have used a half hearted approach to it, by using some bits and pieces of the principles. This has accounted for the failure of most organization in meeting up to their expected target from implementing this ideology. Juran believed that main quality problems are due to management rather than workers.

The attainment of quality requires activities in all functions of a firm. Firm-wide assessment of quality, supplier quality management, using statistical methods, quality information system, and competitive benchmarking are essential to quality improvement. He also emphasized the importance of top management commitment and empowerment, participation, recognition and rewards.

One of the main aims of TQM is to meet the needs of customers and achieve customer satisfaction by providing a quality product or service.

Most bankers would like to believe that banks are in the finance industry, and not in the service industry, thus they tend to compete in terms of financial prowess rather than service quality (Rene T. Domingo (2003)). People, resources, time, and systems are devoted more to managing assets and cash rather than managing customers and service. In fact most bank systems are designed to control customers rather than satisfy customers. Products and procedures are set up for the convenience of the bank rather than that of the customer. A big bank may have as many as three vice presidents responsible for guarding its assets, but no one to take care of customer service and complaints. Banks usually give customer service and satisfaction very low priority, and accordingly assign it to a low level, if not lowly-paid, manager. Few or none of the bank's elaborate systems and structures is designed to monitor and maintain customer loyalty.

Historically, banks were conceived as sophisticated control systems since it does business with the most liquid of assets: cash. Banks and other financial institutions, like insurance companies and investment houses, are relatively slow in shifting into this customer-first paradigm. They have to maintain image, reputation, and credibility in order to do their job as custodians of other people's money. But over the years, the complex systems and bureaucracy were set up and added in the name of control while sacrificing and neglecting customer service in the process.

Many banks are managed by finance people, with little or no training in customer service. Good service does not happen naturally or by accident. Good service is planned and managed. Without planning, bad service is the natural state of affairs. As the quality guru, Dr. W. Edwards Deming put it, to improve service quality; one has to have profound knowledge of the service delivery system. Bankers tend to think that money - not the customer - matters. They find it hard to accept that banks are in the service industry in the same league as McDonalds, Singapore Airlines, Federal Express,

Domino Pizza, and Marks & Spencer. Because of this antiquated paradigm, banks could not appreciate the excellent and valuable lessons in customer service and people management which these world-class service institutions could offer for free. Customer service will not improve if banks just learn and copy from other banks: the world class bank in terms of service does not exist yet.

Presently banks are ranked, benchmarked, and judged of their success by sheer size, financial resources, and other quantitative measures which hardly indicate customer service quality: asset base, number of ATM's (automated teller machines), number of transactions, number of depositors, amount of loans released, etc. Bank executives are mainly involved in asset management (the bigger the better), cash flow management, spread management (the wider the better), asset/liability management, and financial ratio analysis.

One major goal of banking organization is to create satisfied customers. Hence, all systems, objectives, and measurements are designed to improve customer satisfaction. A bank applying TQM should track as goals and benchmarks those that matter to the customer: processing times of key products and services, like loans, new accounts, ATM cards, credit cards, check encashment; waiting times like downtime and queuing time; customer complaints, written or verbal; friendliness and efficiency of staff; accuracy and timeliness of statements of accounts and records; effective interest rates, inclusive of all service and hidden charges; lost customers and accounts

These service indices should then be audited as regularly and as conscientiously as the bank internal auditors audit cash flows, transactions, and balances. McDonald's inspectors, equipped with standards and stopwatches, regularly check branch performance in terms of quality, service, cleanliness, and value. They make sure all branches have the same consistency in product and service quality. In other words, the customers will not have any "surprises". Contrast this to banks, whose service quality differs by branch, location, and branch managers. To aggravate the problem, head office rates and promotes branch managers based on the sheer business the branch generates: loans released, interest earned, and deposits generated; they are seldom evaluated on customers satisfaction, service, and complaints, No wonder branch managers do not pay

attention to customer service since it does not affect their performance evaluation. Most banks therefore do not have a system to handle errors or customer complaints, verbal or written.

## **1.2 Statement of the problem**

CRDB Bank Limited is a Tanzania – based private company engaged in commercial banking activities. The company with registered office located in Dar es Salaam was established in July 1996 which was a public institution with majority of shares held by the Government of the united Republic of Tanzania to succeed the former Cooperative and Rural Development Bank (CRDB). CRDB is one of its kind in Tanzania, sales are good and profit margins are also encouraging, regulatory controls are also not too stringent and therefore it did not require too much effort on the part of the company for it to break even and realize some good returns on investment. However currently, customers of the banking industry are becoming increasingly sophisticated.

Competitions on both international and local fronts are becoming fiercer than ever. The company seems to find itself at the receiving end of trade liberalization and globalization with its attendant challenges of exposing the company to compete with global players. The situation therefore warrants that CRDB Limited adopt a strategic management approach such as Total Quality Management to enable it compete effectively. Over the past years, the company has gained considerable experience in customer service and other banking products and can produce a wide range of banking products and services to the highest international quality standards. However its capability as a business concern has not shown up in profits and growth. CRDB's Operations Report for the period 2011/2012 reveals some of these deteriorating state of the company such as decrease in earnings ratio assets to 78.6%, depreciation of shareholders investments, as well as decrease in total asset, and uncompetitive pricing of banking products.

The company's problems have been compounded in recent times by increased competition from newly established banks and financial institutions. Increased

competition has resulted in very low margins to the point where in order to survive in the industry the company needs to operate at very low cost to enable it to do services at competitive prices. The company now needs to find ways to surviving in the increasing competitive market and TQM as noted by Oakland (1993) as a strategic management tool that can be used for improving the competitiveness, effectiveness and flexibility of the whole organization now comes to mind.

- There is the need for Total Quality Management Practices at CRDB Limited in order to improve upon Organizational Performance.

- There is also the need to assess Quality Practices to improve upon performance to meet international standards and customer demand.

### **1.3 Objectives of the study**

The overall objective aim of this study was to explain the impact of quality management in banking organization. In order to achieve this aim, three specific objectives were developed.

- i. To explore the degree of effectiveness of TQM practices in CRDB Limited.
- ii. To analyze the extent to which TQM practices affect organizational performance at CRDB Ltd.
- iii. To propose practical suggestions and recommendations to support the adoption of TQM and tackle the problem and challenges which exist in the organization.

### **1.4 Research questions**

This study was conducted under the following research questions:

- i. What is the impact of quality management strategy in banking organization?
- ii. What are the TQM practices in CRDB Limited?
- iii. How effective are the TQM practices in CRDB Ltd?
- iv. What are the effects of TQM practices on Organizational performance at CRDB Ltd?

### **1.5 Significant of the study**

This study will enable the management of CRDB Limited and other similar Banking companies in Tanzania to identify key TQM practices which could be employed to bring improvement in organizational performance. The study will also help management of the company to identify ineffective TQM practices that exist in the company and how to remedy these ineffective practices. The study will offer management the opportunity to know whether ineffective TQM practices affect quality performance at CRDB Ltd. This will enable management to come out with strategies which will help improve quality performance and eventually lead to meeting standards at both the domestic and foreign fronts thereby leading to customer satisfaction. The study will throw more light on TQM practices as a determining factor for quality performance and organizational performance as a whole.

### **1.6 Limitation of the study**

The study depends on having access to people and documents. Lack of timely and free access to secondary data from other documentary source hindered access of vital data or information that were significant for the final completion of this report. In any case, the time that was assigned for this study was not enough to out-source enough evidence to support the findings.

The researcher encountered some constraints due to the fact that, some of the respondents were reluctant to disclose some crucial information and this is because some of the information concerning quality management and practices is termed to be confidential. However, the limitation was solved by probing more concerning the issue under investigation, specifically by using in-depth interview in which face to face interaction helped the researcher to obtain rich information concerning the issues investigated.

### **1.7 Scope of the study**

The study examined the total quality management strategy and its impact in banking organization - Dar es Salaam region. The study was conducted as case studies CRDB Bank. The Bank looks upon its customers as its best salespeople because they are users

of the products and their desire to recommend them to their friends and family comes from the sincere delight and surprise. Customers play a major role in the marketing of services and products of a given organization whereby they have more creditability to attract new customers than salesmen. Salesmen are usually perceived with less creditability by customers because they want to meet certain quotas and earn commissions. To create such a customer appeal and endorsement of product and services, CRDB bank ought to create a life-long strategy to continuously delight and surprise their customers ahead of competitors.

Respondents were selected from each department using random and purposive sampling, so as to include all categories of respondents such as respondents from departments of customer service, finance, human resource management, secondary education, primary education, and at university level.

### **1.8 Layout of the study**

This study is organized into five chapters, chapter one contains a general introduction of the study, it provides an introduction to the study including, the background and need for the study, research aim and objectives and layout of the study., chapter two is the literature review, chapter three is the study methodology, chapter four contains analysis and discussion of finding, while chapter five is the conclusion and recommendation from the study findings.

## CHAPTER TWO

### 2.0 Literature review

#### 2.1 Introduction

This chapter reviews relevant literature with respect to the study. Topics covered in this chapter are: history of quality management, the meaning of Total Quality Management (TQM), principles of TQM, implementation of TQM, ISO 9000 standards, relationship between TQM practices and quality performance, organizational performance, the need for TQM in banking organizations, challenges of implementing TQM.

#### 2.2 Definition of key terms

Different definitions of TQM have been presented over the years. Some of these definitions are presented below:

Dale (1999) defines TQM as a management approach of an organization, centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organization and to society. Dale (1999) states further that tools and methodologies are used in TQM in order to improve the organization continuously. According to Dale, TQM is the mutual co-operation of everyone in an organization and associated business processes to produce products and services, which meet and, hopefully, exceed the needs and expectations of customers. TQM is both a philosophy and a set of management guiding principles for managing an organization.

Shiba et al. (1993) argue that Total Quality Management (TQM) is an evolving system of practices, tools, and training methods for managing companies to provide customer satisfaction in a rapidly changing world. A baseline technical definition of what TQM is all about has been given by the American Federal Office of Management Budget Circular, TQM is a total organizational approach for meeting customer needs and expectations that involves all managers and employees in using quantitative methods to improve continuously the organization's processes, products and services. (Milakovich, 1990). In addition, the American Federal Office of Management defined TQM as, a total

organizational approach for meeting customer needs and expectations that involves all managers and employees in using quantitative methods to improve continuously the organization's processes, products, and services. TQM is not merely a technical system. In fact, TQM is associated with the organization itself, which is also a social system (Morgan & Murgatroyed, 1997). Some people argue that organizations are not only technical systems but also human systems (Pike and Barnes 1996). In addition Oakland (1993), states that TQM is an attempt to improve the whole organization's competitiveness, effectiveness, and structure.

Feigenbaum (1991) defined TQM as an effective system for integrating the quality development, quality-maintenance, and quality-improvement efforts of the various groups in a firm so as to enable marketing, engineering, production, and service at the most economical levels which allow for full customer satisfaction. He claimed that effective quality management consists of four main stages, described as follows:

- Setting quality standards;
- Appraising conformance to these standards;
- Acting when standards are not met;
- Planning for improvement in these standards.

Ishikawa (1985) argued that quality management extends beyond the product and encompasses after-sales service, the quality of management, the quality of individuals and the firm itself. He claimed that the success of a firm is highly dependent on treating quality improvement as a never-ending quest. A commitment to continuous improvement can ensure that people will never stop learning. He advocated employee participation as the key to the successful implementation of TQM. Quality circles, he believed, are an important vehicle to achieve this. Like all other gurus he emphasized the importance of education, stating that quality begins and ends with it. He has been associated with the development and advocacy of universal education in the seven QC tools (Ishikawa, 1985). These tools are listed below:

- Pareto chart;
- Cause and effect diagram (Ishikawa diagram);
- Stratification chart;

- Scatter diagram;
- Check sheet;
- Histogram;

Oakland (1993), states that TQM is an approach for improving the competitiveness, effectiveness and flexibility of a whole organization". Also Oakland (2003) defines TQM as a comprehensive approach to apply in order to improve competitiveness, effectiveness and flexibility through planning, organizing and understanding each activity, and involving each individual at each level. It is helpful in all types of company. In addition, Slack et al. (2007, p 651) define TQM as: "TQM a holistic approach to the management of quality that emphasizes the role of all parts of an organisation and all people within an organisation to influence and improve quality; heavily influenced by various quality gurus it reached its peak of popularity in the 1980s and 1990s" .

Ross (1999) regarded TQM as an integrated management philosophy and a set of practices that emphasises, among other things, continuous improvement, meeting customer requirements, reducing rework, long-range thinking, increased employee involvement and teamwork, process redesign, competitive benchmarking, team-based problem-solving, constant measurement of results and closer relationships with suppliers.

According to Talha (2004), TQM indicates a broad set of management and control processes designed to focus an entire organisation and all of its employees on providing products or services that do the best possible job of satisfying the customer.

Furthermore, Dale (2003, p.26) defined TQM as a management approach that ensures mutual co-operation of everyone in an organisation and associated business processes to produce products and services that meet and, hopefully, exceed the needs and expectations of customers.

Slack et al. (2007) mention that TQM should be thought of as a philosophy and a way of thinking and working which particularly stresses the following:

- meeting the needs and expectations of customers;
- covering all parts of the organisation;
- including every person in the organisation;
- examining all costs which are related to quality, especially failure costs;
- getting things “right first time”;
- developing the systems and procedures which support quality and improvement;
- developing a continuous process of improvement.

Over the past two decades, total quality management (TQM) has become most widely used management acronym and is considered as the buzz word in the management practices. It has been well accepted by managers and quality practitioners as a change management quality approach (Arumugam et al., 2009). It plays a vital role in the development of management practices (Prajogo and Sohal, 2003; Hoang et al., 2006). Many researchers asserted TQM as an approach to improve effectiveness, flexibility, and competitiveness of a business to meet customers’ requirements (Oakland, 1993). Some people also see it as the source of sustainable competitive advantage for business organizations (Terziovski, 2006).

It is also seen as a source of attaining excellence, creating a right first-time attitude, acquiring efficient business solutions, delighting customers and suppliers etc. (Mohanty and Behera, 1996) and above all TQM can also be seen as a source of enhancing organizational performance through continuous improvement in organization’s activities (Claver-Cortes et al., 2008; Teh et al., 2009).

In recent decades, the level of awareness towards TQM has increased drastically and has gone to its peak to become a well-established field of research (Arumugam et al., 2008; Yusof and Aspinwall, 1999). In response to these challenges and to facilitate the organizations in achieving higher quality levels, many companies are implementing TQM approach and quality initiatives for achieving sustainable competitive advantage and enhanced company performance. Past studies on the relationships between TQM practices and quality performance have showed significant and positive results (Arumugam et al., 2008; Prajogo and Sohal, 2003). Thus, assessing TQM and its effects

on organizational performance is necessary as it provides a theoretical as well as a practical platform to the industry in its efforts to gain sustainable competitive advantage.

From the above definitions, we can identify two important aspects that comprise TQM: management tools and techniques as well as management concepts and principles. The techniques refer to what has been referred to as the hard aspects of TQM, while the principles refer to the soft side.

### **2.2.1 History of quality management**

In order to keep a competitive advantage on the market, organizations have for many years focused on the quality of their products. Different initiatives to increase the quality of products and services have evolved during the years.

The early focus, at the beginning of the twentieth century, was on inspection, which included checking that the manufactured products met the specifications. During the past few decades the focus in organizations has shifted from inspection to quality control of products.

Through quality control, organizations are trying to identify directly in the process, flaws which can be corrected before producing too many products that do not meet the specifications. In the evolution of the concept of quality, the focus on quality has moved even further quality assurance.

Quality assurance has become a recognized practice for planning and preventing problems at the source before starting to manufacture products. The latest focus in the evolution of quality is considered to be on Total Quality Management which invokes the application of quality management principles to all aspects of the organization, including customers and suppliers, and their integration with the key business processes (Dale, 1999).

The need for quality as a functional component in the formulation of strategies for institutions to implement TQM is clearly outlined by Bilich and Neto (2000) who stated that quality as a macro function of institutions must be present in the day-to-day running

of an institution, in aspects such as establishment of policies, the decision process, selection of personnel, allocation of resources, definition of priorities and service delivery to satisfy customer requirements. In addition they stated that the quality approach as a strategic element has brought to institutions a new manner of conceiving quality as it engages the top decision –makers of the institution in effort for better performance in service delivery. According to Dale (2003) and Evans and Dean (2003) quality, reliability, delivery and price build the reputation enjoyed by the institution. Quality is the most important of these competitive weapons and is an extremely difficult concept to define in few words in order to agree on a consensus definition.

It has been suggested that there is a link between the national culture of a country and its appropriateness in the adoption of TQM practices (Perry, 1997; Ngowi, 2000). Perry (1997) used 11 TQM themes identified from a research by Mohr-Johnson (1993) to compare the differences in cultural dimensions (Collectivism, Femininity, Confucian dynamism etc.) between Japan (the ‘home’ of TQM), Africa (developing countries where TQM has not been adopted), and the United States and Australia (developed countries who have adopted TQM). Results imply that TQM is a ‘learned’ philosophy, which cannot be just transplanted across national boundaries easily. When compared against Japan he found that some aspects of TQM are actually more culturally appropriate to implement in Africa than in Australia or the U.S.

### **2.2.2 Quality development in developing countries**

As of 2005, there were only twenty ISO certified companies in Tanzania. Kenya, on the other hand, had 169 whilst Uganda had 45 (ISO survey, 2005). Considering that Tanzania has the largest land area, according to the World Fact Book (2005), of about 945,087 square km, from the three East African countries, (with Kenya following at around 582,650 square km and then Uganda at 236,040 square km), this is a surprisingly low number.

Aid from external sources, the introduction of more poverty reduction schemes, structural adjustment schemes and so on, together with increased involvement of NGOs has helped the development of Quality Management in Tanzania. The increased number

of consultancy firms and other organisations has made it easier to implement quality techniques like ISO certification and TQM in Tanzania.

### **2.3 TQM in Tanzania's banks**

The banking industry of Tanzania has been growing fast during the last decade. There are so many things happening within the industry after the liberalization of the sector. The aspect of competition is now crucial for the operators who are within the banking industry. Those who are already in the industry need to operate competitively by using a differentiation strategy to win the confidence of the customers who have higher bargaining power. A good customer service is necessary. This can be achieved through synergy and Total Quality Management (TQM) approach. The forces are not and will never be static but dynamic, hence a need for the banks to be reviewing their strategies from time to time

### **2.4 Practices of TQM**

Factors as top management commitment and leadership, people management, policy and strategy, partnership and resources management and management of processes, are generally considered as the initial inputs to the implementation of TQM. According to the European Foundation for Quality Management (1999), these factors are called the enablers. In this model of excellence, essentially customer satisfaction, the enablers deliver the results, which in turn drive innovation and learning (Oakland, 2000). This suggests that the quality factors can be classified as soft and hard quality factors. Factors like leadership, employee involvement and quality policy development have long-term nature and some of them are difficult to measure.

These factors have an impact on maximizing support and involvement in attaining the quality goals of an organization. Such factors are considered as internal marketing issues (Wilkinson, 1992). They include: senior executives commitment and involvement, policy development and effective deployment of goals, entire workforce commitment to quality goals of the organization, supervisors, unit heads and divisional managers assume active new roles, empowerment, effective communication, teamwork, system for recognition and appreciation of quality efforts, training and education. While top

management acts as a driving force for TQM, its commitment has to be translated into specific strategies. Strategies that allow an organization to achieve superior organizational performance include: designing quality into products and services, assuring in-process quality through the use of defect prevention methods and control tools as well as judicious use of quality information such as customer feedback, benchmarking and charts (Ahire et al., 1996).

In order to implement these strategies successfully, organizations have to be customer focused, maintain competent, reliable and flexible suppliers, and ensure full employee participation through training and empowerment.

#### **2.4.1 Focus on customers**

Focusing on customers is stressed by most authors of TQM literature to be an important part of TQM. Shiba et al. (1993) define a customer as the person or group who receives the work that one carries out, and asserts that a business function without a customer should not be performed. Evans & Lindsay (1996) stress the importance of customer focus, and imply that any business has four goals: to satisfy its customers, to achieve higher customer satisfaction than its competitors, to retain customers in the long run and to gain market shares, (Dale,1999).

#### **2.4.2 Improve continuously**

Deming (1986) states in one of his 14 points for management that, one should improve constantly and forever the system of production and service, to enhance quality and productivity and thus constantly decrease costs. Deming also emphasized the use of the improvement cycle, also called the Shewhart cycle and the Deming cycle, according to Evans & Lindsay (1996). The improvement cycle is composed of four stages: plan, do, study and act (PDSA). Similarly, according to Shiba et al. (1993), any activity can be improved if you systematically plan the improvement, understand the current practice, plan and implement the solutions, analyze the results and their causes and perform the cycle again.

### **2.4.3 Methodologies of TQM**

Hellsten & Klefsjo (2000) argue that methodologies are ways to work within the organization to reach the values", A methodology, according to Hellsten & Klefsjo (2000), "consists of a number of activities performed in a certain way". Assessment and self-assessment have during the last few decades been established as important methodologies for improvements. One difference between assessment and self-assessment is that the latter does not involve any external organisation of the work, while the first does. In more detail, Van der Wiele et al. (1996) point out that organisations are using self- assessment to identify strengths and weaknesses, and to facilitate internal and external learning in terms of the transfer of best practice and ideas. Brown & van der Wiele (1996) show, on the basis of a national postal survey of self-assessment practices in Australia, that the reasons for using self-assessment are mainly to find opportunities for improvement and to direct the improvement process, while the goals for the introduction of self assessment are to improve business performance, to drive continuous improvement and to increase quality-awareness in all aspects of the business. The Methodologies consist of Quality Circles, Bench- marking, Quality Functional Deployment, Employee Development, Process Management, Self Assessment, Policy Deployment, Supplier Partnership and Design of Experiment.

### **2.4.4 Tools of TQM**

Hellsten & Klefsjo (2000) define tools as "rather concrete and well-defined tools, which sometimes have a statistical basis, to support decision-making or facilitate analysis of data". They further state that TQM is seen as a continuously evolved management system consisting of values, methodologies and tools, the aim of which is to increase external and internal customer satisfaction with a reduced amount of resources. (Hellsten & Klefsjo, 2000).According to them some of the tools for TQM are Relation Diagram, Ishikawa Diagram, Factorial Design, Process Maps, Control Charts, Tree Diagram and ISO 9000.

## **2.5 Implementation of TQM**

Different firms implement the quality concept in different ways but in general it could be classified in the following five categories to reflect the evolution of the concept of quality: No customer concern / No inspection: (Zero Level) These companies do not focus on customers and incorporate management systems to measure or control the quality characteristics of their product and services.

According to Moosa (1999), in countries like Pakistan, in many firms, usually there is no accountability for poor performance and in some firms it's up to the level of torturing the customers.

Quality Control: (Level 1) These organizations consider laboratory and testing of products as a main activity of quality management and invest in and develop their products/services management systems, these firms usually have quality control labs and departments testing and measurements make them react to non conformities. Shewhart (2000) and Dodge (1999) have identified that most companies use statistical process controls for such measurements. While according to Moosa (2000) most manufacturing firms in Pakistan use quality controls for implementing TQM in their organizations.

Quality Assurance: (Level 2) these companies understand that a product is a result of many processes and unless these are controlled effectively quality cannot be delivered therefore they try to control all these processes that affect product/service quality. According to Kaynak (2004) and Brun (2010) most companies assure quality by using quality programs like ISO 9000, ISO 9000- 2000, and other quality tools like Deming prize, affinity diagrams, Pareto charts. While according to Bhatti (2003) in Pakistan the popularity of ISO 9000 is making companies upgrade their processes from quality control to quality assurance however the degree of implementation varies considerably among different industries and firms.

Continuous Quality Improvements: (Level 3) The companies which come under this category do not just confer to the quality assurance but they realize that process improvements are directly proportional to competence, commitment and team work of

employees, such organizations mobilize companywide campaigns for continuously developing skills of quality management at all levels and give assignments on weekly and monthly basis in cross functional teams. Researchers like Tari (2008) and Zehir (2010) identified that companies in the manufacturing industry in Australia use different approaches for continuous quality improvements like just in time (JIT), zero defect mentality and quality circles. While according to Khan (2000) there are very few firms operating in Pakistan which fall under the category of continuous quality improvements.

Quality Award Models: (Level 4) these companies are global champions and dominate markets with their products/services. They set bench marks to others and for these companies quality means complete satisfaction of their customers and publics.

## **2.6 Relationship between TQM practices and quality performance:**

A considerable body of empirical evidence suggests that TQM implementation improves quality performance of the company. It has been measured in various ways and found that the quality management model and specific practices, which best predict performance varies across the world (Adam et al., 1997; Prajogo and Sohal, 2004; Arumugam et al., 2008). The research framework for quality management proposed by Flynn et al. (1994) suggested that the inputs of this framework are the quality management (QM) practices while quality performance represents outcomes. Further, product design process, process flow management, and top-management support have significant correlation with quality performance (Flynn et al., 1995). Parzinger and Nath (2000) examined the link between TQM and software quality and found that TQM implementation improves the software quality and performance, and thus, increases customer satisfaction. Hasan and Kerr (2003) studied the relationship between TQM practices and organization performance in service organizations and discovered that TQM practices like top-management commitment; employee involvement; training; supplier quality; quality costs; service design; quality techniques, benchmarking; and customer satisfaction leads to higher productivity and quality performance. Prajogo and Brown (2004) conducted an empirical study within Australian organizations to investigate the relationship between TQM practices and quality performance, and the results indicated a strong and positive linkage. A study on ISO 9000 certified

organizations of Taiwan performed by Jeng (1998) examined linkage between six Quality Management practices and quality performance. He found customer focus as the most powerful discriminated practice of quality performance while remaining five practices showed low discriminating powers.

Brah and Tee (2002) examined the relationship between TQM constructs and organization performance by measuring quality performance of Singapore companies. They found that implementation of TQM leads to quality performance and have positive correlation. A study utilizing Structural Equation Modeling (SEM) approach by Sanchez-Rodriguez et al., (2006) provided the insights into the current information technology (IT) and TQM theory and practice on operational and quality performance. They found TQM initiatives generate significant positive gains in operational and quality performance. In line to this, Prajogo and Sohal (2004) also employed SEM approach to examine the multidimensionality of TQM in association with organization performance. Using empirical data collected from 194 Australian firms the finding support the proposition in pairing the mechanistic elements of TQM with quality performance and the organic elements with innovation performance.

A recent empirical study conducted by Arumugam et al. (2008) explored the relationship between TQM practices and quality performance on ISO 9001:2000 certified manufacturing organizations in Malaysia. Analyzing empirical data drawn from 122 Malaysian organizations through correlation and multiple regression analyses, the finding revealed that TQM practices were found to be partially correlated with quality performance. They further found that customer focus and continuous improvement were perceived as dominant TQM practices in quality performance.

## **2.7 TQM and organizational performance**

This thesis evaluates whether working with TQM in general can affects the performance of companies. Hence, earlier published results describing the connection between TQM and performance are of great importance for the study. There are many different approaches to estimating the possible benefits of TQM.

Historically, one of the most common ways to quantify the benefits of TQM has been to estimate the cost of poor quality, Juran (1989). In recent years, research has shown that TQM has a significant positive impact on market value as well as accounting returns (Andersson & Fornell, 1994). Another way to calculate the benefits of TQM is to balance expenditures against expected revenue gains and reduced costs (Rust & Zahorik, 1995). Samson & Terziovski (1999) show that the relationship between TQM practice and organizational performance is significant in a cross-sectional sense, in that TQM practice intensity explains a significant proportion of variance in performance. They also show further that the categories of leadership, management of people and customer focus are the strongest significant predictors of operational performance.

Moreover, the major findings of Allen & Kilmann (2001) show that higher levels of company performance are significantly correlated with greater use of TQM practices. McAdam & Bannister (2001) discuss the need for performance measurement with the TQM framework, and the fact that both hard and soft measures, and both management and employee perceptive measures should be used to measure the outcome of TQM. Product Quality Effectiveness; The quality of a product or service is dependent on the customer expectation in contrast with other suppliers, so when judging product quality it depends who is the customer. According to Demirbag and Tatoglu (2006), and Parast (2010) when companies 'judge product quality effectiveness internally they measure it in terms of defects rate, rework cost, scrape cost. While Prajogo (2008) have measured product quality effectiveness in terms of the level of reliability it offers and the fitness of use and conformance with expectations. The General Accounting Office study (GAO,1991), Which has one of the first studies trying to establish a link between TQM practices and the performance of companies, evaluated Malcolm Baldrige recipients and companies that had received a site-visit (i.e. companies that in a sense were close to winning an award). The main conclusion from the GAO study was that the companies investigated improved their operating results. Moreover, better employee relations were achieved, improved operating procedures were attained, greater customer satisfaction was accomplished, and an increased market share and profitability were gained. Many other articles also discuss the results from the GAO study; Shetty (1993), Bergquist & Ramsing (1999) use similar methods to those described in the GAO study (GAO, 1991).

Further, the findings of Oakland (1999) indicate that quality award recipients and applicants are unequivocal in their comments about the benefits of TQM and self-assessment for business results, including profitability, an increased market share and more satisfied customers. Quality award recipients like Texas Instruments Defense Group also claim that quality work can yield tremendous rewards (Junkins, 1994). Moreover Letza et al. (1997) have presented a thorough discussion of different studies concerning the effect of TQM on different performance measurements.

### **2.7.1 Customer satisfaction**

The focus on customer has become a part of quality movement. According to Haar et al (2008) successful implementation of TQM include customer retention and increase in market share. While according to Liusar et al (2009) customer focus leads to customer loyalty which can be achieved by providing customers with reliable, durable product/service. So customer focus in firms incorporates customer satisfaction, confidence, loyalty and reduction in complaints.

### **2.7.2 Financial performance**

According to Demirbag (2005) and Fotopoulus et al (2009) firms that focus on improving the quality of their product and processes leads to improve revenues and reduction of costs. So the financial performance of a firm as a result of quality initiatives can be measured by the increase in the level of sales, revenue produced, and level of cost performance, the return on investment and assets and by the increase in market share. Hendricks & Singhal (1997) compare recipients of quality awards with different control companies. The indicators chosen in their research to study performance are changes in the operating income, the sales, and the return on assets, the return on sales, the total assets and the number of employees. The main conclusion from their research is that companies that have received a quality award outperform the control companies concerning operating income-based measures. Wrolstad & Kreuger (2001) showed that the companies that had received a quality award presented better results than a control group concerning measures of the operating profit margin, return on sales and return on equity, while the difference was not so large between the two groups concerning the

operating margin, but still in favour of the quality award recipients. Lemak & Reed (1997) claim also that TQM leads to an improved profit margin, after studying sixty companies that have demonstrated a commitment to TQM for a period of at least five years. Handsfield et al. (1998) claim that the results of their study provided support for the existence of a relationship between a company's quality-driven strategies and improved financial performance, Easton & Jarrell (1998) also show, clear evidence that the long term performance of companies that have implemented TQM is improved. One approach to measuring the benefits of TQM initiatives is to follow the share price on the stock market of a company that has successfully implemented TQM.

Helton (1995) claimed that companies that had received the Baldrige National Quality award outperformed companies on the Dow Jones Industrials index or the Standard & Poor index. George (2002) argues too that one should invest in companies that have successfully implemented TQM as these companies show better results on the stock market. Hendricks & Singhal (2001) state that award recipients in U.S.A significantly outperform firms in the various control groups. Depending on the control group used, the mean out performance ranges from **36% to 46%**. However , as discussed in Przasnyski & Tai (1999), the returns are often calculated without adjusting for market and industry factors and are not annualized either, which is not correct from a financial point of view. When adjusting to these factors, Przasnyski & Tai (1999) show, instead that the stocks of Malcolm Baldrige National Quality Award recipients underperform stocks with a similar risk and in a similar branch of industry by a 31 % margin.

### **2.7.3 Challenges of implementing TQM**

Of primary interest among researchers has been addressing the question —What makes TQM work? Since most would agree that the philosophy and principles of TQM are sound, instances of failed TQM initiatives have led researchers to direct their attention to problems associated with its implementation. Consequently, several major research themes concerned with the successful implementation of TQM have emerged. There have been many studies that have focused on the obstacles to TQM (Ngai & Cheng, 1997). Several researchers have focused more directly on the obstacles that hinder the ability of organizations to make a successful transformation to TQM or quality management. Glover (1993) argues that TQM failures follow one of three patterns:

conceptual weakness, design flaws, or ineffective implementation. Recognizing that TQM requires a true organizational transformation, Glover explains conceptual weakness as failures occurring because organizations make only superficial attempts at change.

Design flaws occur when TQM systems are not designed to fit the cultural circumstances of the organization. The most common reason for failure include ineffective implementation which results when TQM becomes so much extra work instead of a new way of doing things Glover (1993). Glover also argues that without a change in management evaluation and reward policy, TQM cannot be taken seriously. He advocates managers will need to know that their evaluations, and subsequent pay increases and bonuses, are dependent on having high levels of quality, satisfied staff and consumers, and successful TQM implementation in their respective areas of responsibility.

#### **2.7.4 Criticism of TQM**

In this section, some criticisms of TQM are discussed in order to give a more complete picture of the concept. There are many different ways to estimate the possible benefits of TQM, and different studies have shown different results. One reason for the different results is that opinions differ about what TQM really is and the different definitions of TQM Boaden (1997). The different opinions concerning what TQM is lead to different opinions about what TQM should result in.

Eskildson (1994) also states on the basis of Survey results, that many organisations do not succeed in their TQM efforts. The two main reasons are argued here to be vague definitions of TQM and inappropriate implementation.

Harari (1997) claims that TQM programmes are ineffective and gave ten reasons why TQM does not work. He states that, after putting together all the independent research conducted by consulting firms, the conclusion is that only about one-fifth, or at best one-third, of the TQM programmes in the United States and Europe have achieved significant or even tangible improvements in quality, productivity, competitiveness or

financial results. Pyzdek (1999) summarizes the criticisms of TQM that have been revealed over the years and adds a few criticisms of his own. In summary, Pyzdek (1999) believes that TQM professionals constantly need to seek to improve the knowledge of quality and the methods for attaining it. Moreover, van der Wiele et al. (2000) evaluate whether TQM is a fad, fashion or fit. A fit of TQM into normal management practice mean that the original fad will have affected the normal way of working within the whole organisation and not just a small part, such as would be the case in the adoption of a mere fashion. The fieldwork from van der Wiele et al. (2000) shows that a change to a fit of TQM to normal management will only occur when there is a strong internal motivation and emotional involvement to implement TQM. Hackman & Wagerman (1995) give two reasons why organizational change programmes including TQM can go wrong. First, the changes may be so ambitious and involve such fundamental alterations of the social system that, for all their potential merit, the organisation cannot accommodate to them. Second, the changes may be more like window- dressing than real changes, as in a programme that exhorts people to alter their behaviour but requires managers to do little other than issue the exhortation.

Knights & McCabe (1997) state that management often does not understand the flaws/problematic and underlying philosophy of TQM. Consequently they continue to adopt inconsistent approaches, such as attempting to control cost and employees while espousing the importance of the customer and the needs of trust- based culture.

It has been reported by Eskildson (1995) and Harari (1993) that there are a number of failures. For example, Eskildson (1995) argued that TQM does not provide a cure-all nor is it a single key to organisational success. He provides an example of what was the bankruptcy of the Wallace Company (one of the winners of the MBNA) after receiving an award. The literature disclosed that the failure of TQM implementation was more likely to result from an inability to understand and implement TQM rather than any inherent flaw in the concept (Evans, 1995; Zairi, 1994). Reimann and Hertz (1996) pointed out that an awareness of basic requirements of quality competitiveness does exist but levels of understandings are more likely to be poor. TQM can clarify this understanding of customer focus.

The gurus fail to draw on broader organisational issues such as strategic thinking and exercise of power rather than leadership and non-stop managerial renewal. The most readily discernible consequence of this is the shortage of a conceptual understanding on the part of managers as to what constitutes the vital organisational elements and requirements for successful TQM implementation (Nwabueze, 2001). Oakland (1989) argued that the fundamental message of the quality gurus is essentially the same. Nwabueze (2001) added that Crosby has been criticised for his philosophical limitations. For example, Juran and Deming argued that it is pointless, if not hypocritical, to exhort a line worker to produce perfection (zero defects) since the overwhelming majority of imperfections are due to poorly designed manufacturing systems beyond the worker's control. He indicated that there are the limitations of Deming's approaches. These limitations include: *“the action plan and methodological principles are too vague, implying that there is no clear Deming method. Deming failed to actually contextualise in an explicit holistic framework the implementation process of TQM. Hence, practising managers are faced with the difficulty of not knowing the “how, when and where” to start implementation his 14 points.”*

Kordupleski et al., (1993) pointed out that TQM focuses mainly on internal matters such as performance measure, training, employee participation and leadership while they argued that the actual growth element comes from external matters (marketing). Consequently, quality programmes should incorporate the marketing side of quality, making customer' needs and perceptions meaningful internally. In addition, the key is to find ways to link external measures of customer' requirements, fulfilment and purchase behaviour to internal quality measures.

Leonard and McAdam (2003) asserted that the key points of the TQM application model disclosed that most of the companies initially began their TQM efforts at an operational level. Those which began at this level consequently found it not easy to move their efforts to a tactical or strategic level. Of those who initially began at the strategic and tactical levels, some used TQM to translate or implement strategy. Very few of the organisations initially started TQM at a strategic formulation level.

There are other criticisms that went with the models. Ghobadian and Woo (1996) stated that the Business Excellence Model (BEM) and other three major evaluative TQM award models such as the Baldrige, Deming and Australian are each based on models of TQM. These models are applied by using self-assessment-based evaluative frameworks.

The models do not exclusively focus on product or service quality but consider a wide range of organisational activities. The models are very similar in scoring procedures; the method of evaluation is the main difference. Leonard and McAdam (2003) added that: *“the BEM and other similar quality models have beneficial applications in organisations. However, they do not adequately address the dynamic issues present within TQM applications in organisations. Furthermore, these dynamic issues, as manifest in strategic and operational applications of TQM, are not represented by models that primarily address operations and the implementation of strategy, as opposed to the formulation of strategy.”*

Rees (1998) pointed out that there are diverse perspectives on QM from the prescriptive of the exploitation models. It is suggested by each perspective that TQM has diverse implications for shop floor workers. Guest (1999) argued that there is a debate regarding the extent to which TQM should be automatically linked with high performance and high commitment HRM. He added that different sectors of industry could generate different results; for instance, the dynamic of TQM may differ within service sector environment, or those which employ a significant percentage of female employees.

It is argued by Glover (2000) that TQM often fails due to poor management rather than Shop floor intransigence. He added that it may have fallen from popularity prematurely and that a partial approach to TQM has meant that UK businesses failed to realise the full benefits from it.

Regardless of the numerical success of ISO, substantial doubts and criticism remain in relation to real benefits achieved by organisations applying the standard. Much of the criticism relates to the misapplication of the standard and the excessive promotion of the standard ( McAdam and Jackson, 2002). It is concluded by Reimann and Hertz (1996) that the focus on ISO is conformance to practice rather than continuous improvement.

This conclusion was also drawn by Kanji (1998) when he argued that continuous improvement and customer satisfaction are not explicit within ISO.

Despite the criticism and argument about TQM, it is argued that the quality movement has been the most significant of all management innovations in the last two decades (Krishman et al., 1993). Evans and Lindsay (2001) asserted that several companies achieved great success through total quality emphasis and, because the world is becoming more quality conscious, companies that resist TQM may not be in business for long. As the editor of Quality Digest put it, “TQM isn’t dead. TQM failure just proves that bad management is still alive and kicking” (Cited in Evans and Lindsay, 2001).

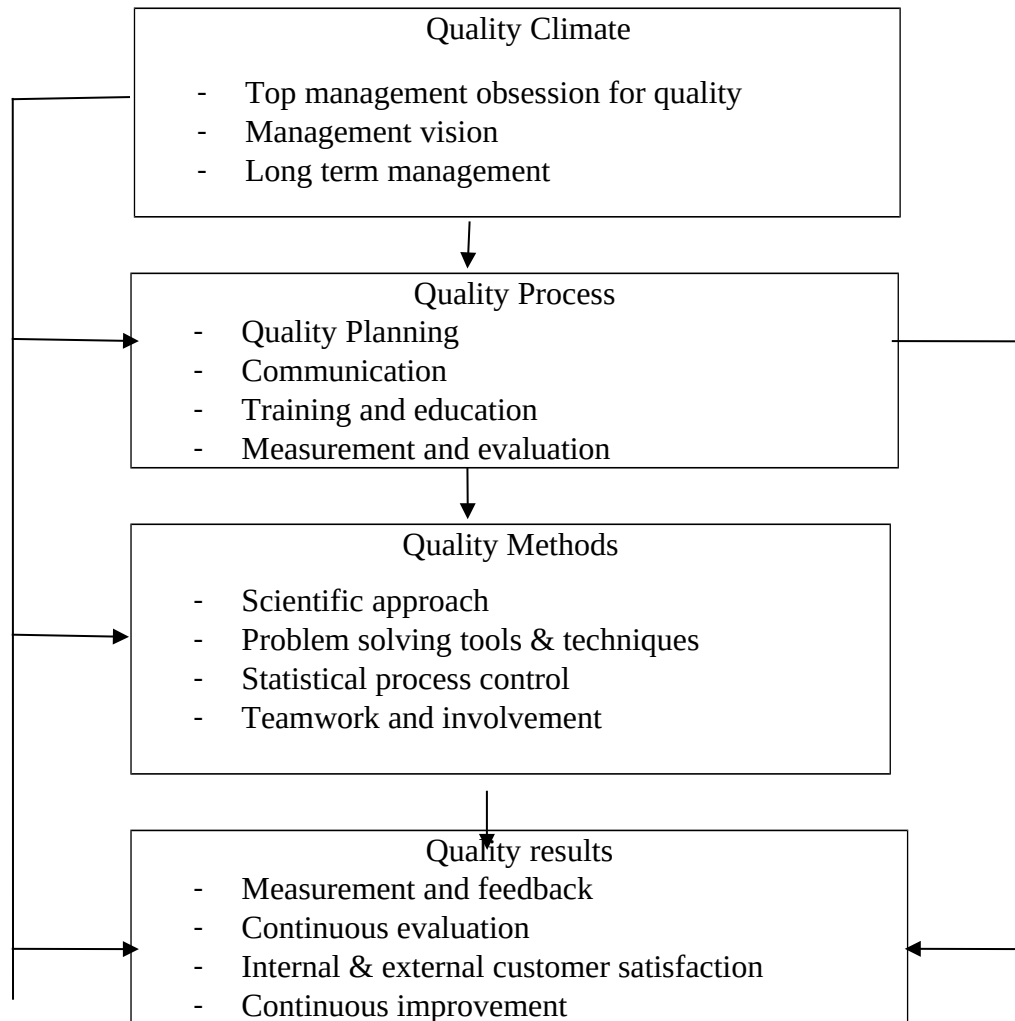
## **2.8 Research gap**

There are many studies that have been done by different scholars in many countries, on the effects and impacts Total Quality Management, that all have aimed at improving service quality implementation and performance.

There is a need to continue to buttress the benefits that accrue to organizations from the implementation of TQM, especially in developing economies, such as Tanzania where the adoption of these principles seems farfetched to organizations. Therefore, this study provides an evaluation of TQM implementations in Tanzania banking sector and has identified the critical impediments to successful TQM implementation there. The value of this study comes from addressing the lack of research that has been undertaken in TQM in Tanzania and, more specifically, in the Banking sector.

## 2.9 Conceptual framework

**Figure 1: TQM Conceptual Framework**



**Source:** Researcher Own Construct, 2014

The above conceptual framework focused on assessing TQM strategy at CRDB Bank Ltd. Key ingredients were suggested after identifying the common threads of quality guru Kanji (1994). He suggested four foundation elements for TQM namely: (1) delight the customers; (2) management by fact; (3) people based management; and (4) continuous improvement. Each of these principles is translated into practices using two core concepts. To delight the customers, customer satisfaction and internal customers must be emphasized. Management by fact is achieved by applying appropriate internal

quality measurement methods and focusing on business process management. People-based management is through teamwork. Managers of an organization must also ensure that everything necessary is in place to allow people to make quality. Finally, continuous improvement emphasizes on prevention and the continuous improvement cycle.

It is not easy to measure how successful an organization's quality management is because TQM is clearly more a philosophy than an instrument. Therefore, one usually focuses on whether CRDB Bank has achieved some form of internationally recognized award or certification. However, it should be noted that any form of quality award must be made up of criteria which are bound not to perfectly reflect an organization's maturity in TQM. Nevertheless, influential quality awards and certifications such the ISO 9000 International Standards for Quality Management are under constant review and revision to accommodate the ever widening arrays of quality concepts.

## **2.10 Conclusion**

The literature review in this section has covered two basic theoretical aspects to form a foundation for the purpose of my dissertation: (1) the historical evolution of TQM literature; and (2) the current relevance of TQM literature. On the basis of this literature review, I track down how the conversations and debates in the literature have evolved over time, leading up to my own contribution that justifies the significance of my lessons learned between a then and today comparative project. In the section of recommendation, Total Quality Management (TQM) and Learning Organization are introduced to help in improving quality and performance of product. To reduce the feeling of anxiety and panic, training program could be carry out to help employee some qualitative skills, such as how to work and communicate in groups.

In today's competitive atmosphere, many organizations are pursuing TQM in order to improve quality and to satisfy customer demands. The core themes from my literature review suggest that Deming's system of management requires a successful quality development effort to adopt all five TQM dimensions for effective transformation: Customer Satisfaction, Organizational Culture, Leadership Commitment, Teamwork, and Management of any quality Development Methodology. An organizational success

must be understood to include all those five TQM dimensions at all levels in order to be consistent with Deming's "System of Profound Knowledge" in which all components are interrelated and cannot be separated.

## **CHAPTER THREE**

### **3.0 Introduction**

This chapter describes the methodology used in the research and clarifies how the research problem has been solved. It includes research design and strategy, population of the study, research instruments, data collection procedure, data analysis and study area.

### **3.1 Research design and strategy**

Methodology can be referred to as the theoretical analysis of the method appropriate to the field of study or the body of the methods and principles to the branch of knowledge (Kotler Armstrong, 2006). Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It is necessary for the researcher to know not only the research methods/techniques but also the methodology.

Researchers not only need to know how to develop certain indices or tests, how to calculate the mean, the mode, the median or the standard deviation or chi-square, how to apply particular research techniques, but they also need to know which of these methods or techniques, are relevant and which are not, and what would they mean and indicate and why. Researchers also need to understand the assumptions underlying various techniques and they need to know the criteria by which they can decide that certain techniques and procedures will be applicable to certain problems and others will not. All this means that it is necessary for the researcher to design his methodology for his problem as the same may differ from problem to problem. For this research, quantitative approach was employed.

#### **3.1.1 Research Design**

Research design is a conceptual structure within which research is conducted. It constitutes the blue print for the collections, measurement and analysis of data (Kothari 2004). Orodho (2003) defines research design as the scheme, outline or plan that is used to generate answers to research problems. Aaker et al (2002) as cited in Adam and Kamuzora (2008) defines research design as the detailed blue print used to guide a

research study towards its objectives. For Hosea (2006), a research design can therefore be said to be an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

In this study the researcher used case study design through which the researcher made comprehensive description and analysis of a single situation that is CRDB Head office at Posta Area. This approach of case study provides an in-depth analysis of Total quality management strategy and its impact in banking organisation. This research design allowed discussion which provided an opportunity to have a deeper understanding of a person's belief, feelings and behaviors on the matter under study.

### **3.2 Study area**

The study was conducted in Dar es Salaam Region at CRDB Bank. The region is also where the head office of CRDB Bank is located. Nevertheless time and financial constraints were among the factors that influenced the study to be based in Dar es Salaam, so choosing this region enabled the researcher to collect more data and interview senior managers, head of section/departments and managers from several departments from CRDB head-office.

### **3.3 Population of the study**

The study population is the aggregation of element from which the sample is actually selected. It is the aggregation or the totality of all members or units from which information could be obtained (Rubin and Babbie, 2001). The study population included senior management team and middle staff and junior workers. Due to the fact that the population of the study was relatively small, the study used census or total enumeration to collect data from the whole population.

### **3.4 Sample size and Sampling procedures**

A sample is a group of respondents drawn from a population in which a researcher is interested in collecting information.

### **3.4.1 Sample size**

The study used random sampling in conjunction with purposive sampling for CRDB staffs. The purposive sampling is where the decision with regard to which element or item included or excluded in the sample depends upon the researchers' judgment and intuition. The researcher applied random sampling in selecting sample from staff. This process involved identifying departments in a given organisation; this was accompanied by selecting a given sample of the respondents. Using this technique helped in eliminating biasness which could have been observed if non-probability sampling were to be used alone.

A sample is a subgroup or part of a larger population (Saunders, 2007). In all four (4) members of management team, six (6) senior staff, eight (8) middle staff and one hundred and two (102) junior workers constituted the population of the study; this made the total population of the study a hundred and twenty (120). Complete enumeration consists of using each and every unit of the population in the study. The study did not use any sampling technique.

### **3.4.2 Research instrument**

Primary data for this research was collected using a well designed and structured questionnaire for data collection. A questionnaire is a pro-forma containing a sequence of questions to elicit information from the interviewee. According to Kotler and Keller (2006) the questionnaire can be defined as a set of questions presented to respondents. It is commonly used to gather data and also very flexible because it could be administered in person, by phone or online. The questionnaire of the study was made up of both close ended and open ended questions. Close ended questions constituted the basis of the structured questions. The open ended questions were generally inserted to provide a more complete picture of the respondents. The study involved fifty respondents which comprise the part of population of workers at CRDB Ltd. One hundred and twenty questionnaires were retrieved and analyzed. The results were analyzed from the perception of the respondents. The questionnaire solicited key information from the following variables: Section A: Personal details; Section B: TQM practices in CRDB

Limited. Section C: Effectiveness of TQM practices at CRDB Ltd; Section D: Effect of TQM on organizational performance; Section E: Management view on organizational performance.

### **3.4.3 Semi-structured interviews**

The interviews for this research were the second data collection method. According to Sekaran (2003), one method of collecting data is to interview respondents in order to obtain information on the issue of interest. Hussey and Hussey (1997) defined an interview as a method of collecting data in which participants are asked questions in order to find out what they do, think or feel.

Saunders et al. (2007) suggested three categories of interviews: structured, semi structured and unstructured. Structured interviews are used in descriptive studies to obtain quantitative data whereby the researcher uses questionnaires based on a predetermined and standardised or identical set of questions. The researcher reads out each question and then records the response on a standardized schedule, usually with pre-coded answers. Semi-structured interviews are non-standardized and used in explanatory studies whereby the researcher has a list of themes and questions to be covered, although these interviews may vary from interview to interview.

### **3.5 Data analysis**

Analysis is a research technique for making replicable and valid references from data to their context. The researcher searches for structure and pattern regularities in the text and makes inferences on the basis of the regularities (Krippendor, 1990). Quantitative data analysis was used to process the data.

For the quantitative analysis Statistical Package for Social Sciences (SPSS version 17) was used to process the data. For the lower version of analysis for the perception of respondents' percentages was used to analyze the data. This means that the analysis was done on the content of the data which was collected.

### **3.6 Data Collection Methods**

The study employed in-depth interview and documentary review as data collection methods. According to Cohen et al (2000) the choice of the research methods depends on the purpose of the research and research questions under investigation. In this study where the main interest was to examine the strategy of TQM in banking organization and its effect, in-depth interview and documentary review were used. The researcher decided to employ an in-depth interview method because it provides rich information about the matter under investigation which can be corroborated by documentary review and hence, an increase in validity of the collected data (Deuscombe, 1998). The use of these two methods was done intentionally because no single method is adequate in itself in collecting valid and reliable data on a particular problem.

Validity refers to the establishment of causal relationship where by the results in the study are validated. This is to ensure that the inference made exactly reflect the stated causal factors. In order to achieve this, researcher used two sources of data collection methods, such as interviews and documentary review sources. A sample is a group of respondents drawn from a population in which a researcher is interested in collecting information. A sample is a group of respondents drawn from a population in which a researcher is interested in collecting information. This was done deliberately to ensure that the data and information collected were valid so as to get rid of any contradictory views and statements.

#### **3.6.1 Primary Data**

Leedy (1974) defines data as those facts that a particular situation gives to an observer. In this study the researcher used interviews and secondary data reviews for data collection so as to get the desired information which cross-checks from different sources. In this study, in-depth interviews and secondary data reviews were used as the methods of collecting the data.

### **3.6.2 The In- depth Interview**

Interview is a process of communication or interaction in which the subject or interviewee gives the needed information verbally in a face to face situation (Koul, 1996). The interview is of course merely one of the many ways in which two people talk to each other (Bulmer, 1977). Thus, Interview was applied to all respondents who were selected. In the same vein, Kothari (2004) defines interview as the method of collecting data that involves presentation of oral verbal stimuli and reply in terms of oral verb responses. This method was used through personal interview.

In this method, semi structured interview was used. The advantage of using this method is that, it conforms to the qualitative approach and facilitates the required level of interaction between the researcher and respondents (Bogdan & Bulklen, 1992). The technique enabled the researcher to enter into other person's view/world to understand that person's inner perspective and its flexibility enables the researcher to capture as much as rich information as possible.

Interview was conducted during working hours to collect information regarding the study. The interview was un-structured in order to make the exercise more meaningful. Talking to employees on issues concerning quality management and quality performance was very important because respondents could tell what they felt are causes of poor quality management in general. The major advantage of using the interviews is that they help the researcher to make the best use of limited available time to make the process of interviewing different people more systematic. The interviews helped the researcher to ask follow up questions and hence, gaining more information and understanding on what the respondents real meant.

The interview questions were open ended in order to give room to respondents to express themselves freely and give their views. Thus, primary data were collected using interview which is a research method that provides basic information from those who witnessed, experienced or were direct beneficiaries or victims of both good quality and poor quality practice in the organization. It also provided an opportunity for the

interviewees to express their opinions about the effects of Total quality management and its impact in banking organization.

### **3.6.3 Questionnaires**

Questionnaires were used in gathering both quantitative and qualitative information from respondents. The following categories of stakeholders were administered with the questionnaire: respondents from CRDB Bank located at Posta region study area. The interview guide is expected to enable the researcher to clarify unclear questions more appropriately, and facilitated follow-up of detailed information from the respondents.

In this study some questionnaires were mailed and self administered to CRDB Bank staffs. A series of open-ended and closed-ended questions were administered to the respondents, each responding to different findings.

### **3.6.4 Secondary Data**

According to Kothari (2010), secondary data are those data which have already been collected by someone else and which have already been passed through the statistical process. Secondary sources provide interpretation and analysis of primary sources. The researcher consulted the necessary books, journals, relevant official reports, statistics, and records of relevant information concerning Total quality management strategy.

### **3.6.5 Documentary Review**

Documentary review involved identifying, reading, evaluating, describing, summarizing, discussing, sighting and synthesizing various documents with information related to the declaration of goods. In this study research, the documentary review were used to collect information from different sources such as CRDB Bank headquarters, National Library and several documents from other sources, including previous literature related to this study.

### **3.7 Data Processing and Analysis**

The analysis of data involves computation of indices and measures to determine the validity of data and indicate any conclusion. “The term analysis refers to computation of certain measures along with searching for pattern of relationship that exists among data groups” (Kothari, 2000). Data collected from the field were analyzed using triangulation techniques. This is the method used to analyze data from both qualitative and quantitative research. It is the exercise of combining different methods together in the sense that the problem is studied using varieties of methods.

It should be noted that, researching the same problem using different techniques is complementary and with the outcomes of understanding deeply the problems under investigation as contended by (Burgess, 2004). In this study, both qualitative and quantitative methods of data analysis were employed, which enabled the researcher to interpret data collected and ultimately make necessary recommendations and reach a conclusion.

Data analysis is an important step towards finding solution of a problem under study. Data analysis is a systematic process involving working with data, organizing them and dividing them into small manageable parts. It involves further synthesis of data in order to discover what is important and what has been learnt so as to decide what to tell others. With regard to this study, the open coding procedure was utilized during data analysis. The open-coding procedure is the analysis that pertains specifically to the naming and categorizing of phenomena through case examination of data.

Data analysis begins with individual response and responses from different respondents were purposively sorted and grouped to make them coherent with research objectives and research questions. Comparison of data was done to identify those with similar characteristics. This activity reduced the data into small manageable and analytical packages which were used for analysis and drawing the conclusion as well as putting forward the recommendations for action and further research.

The collected data was processed by using multiple analytical instruments, these were; MS-Excel, MS-word and the SPSS. The raw data from qualitative and quantitative findings were coded. The use of MS-excel helped in presentation of findings, whereas the SPSS were helpful in trying to establish relationship between variables, the instruments do provide a wide range of choices in selecting variables at various stages of the analysis and testing various relationships.

### **3.8 Data Validity and Reliability**

Validity as explained by Joppe (2000) is the determination of whether research instrument relates to what is intended to be measured or how truthful the research results are. The degree of accuracy and reliability of the data collected in most of the developing countries, Tanzania inclusive, and how this can constrain the value of social economic research due to lack of or inadequate records and reliance on recall is unsatisfactory. Efforts were made to supplement quantitative data with qualitative data so as to minimize biases and distortions. Where possible the data gathered from this study were counterchecked at other possible sources. In this way, the degree of reliability of this study was largely enhanced.

## **CHAPTER FOUR**

### **Data analysis and discussions of results**

#### **4.0 Introduction**

This chapter aims to present and analyse the data obtained from both self-administered questionnaires and face to face semi-structured interviews in relation to the research's objectives respectively. The chapter, hence, is divided into three main sections. The first one aims to assess the personal data of respondents under which age, gender, education background department and length of respondents with CRDB Bank Ltd are administered. The second section deals with examining and exploring the practices of TQM in CRDB Bank Ltd it covers respondents view of leadership commitment to the work, employee involvement in quality decision, effective communication, system for recognition and appreciation of quality efforts, respondents view on training and development and respondents view on self assessment . The third section aims to explore effectiveness of TQM practices in CRDB Bank Ltd, it answer questions on customer satisfaction, product quality, staff training and quality award to the organization.

The descriptive analysis of the data is the first statistical technique used to provide a summary of the respondents' and their companies' demographic characteristics using means, frequencies and standard deviation. The data obtained from the interviews was processed and analysed by using the thematic analysis approach in order to explain and support the results that emerged from the questionnaire. The results revealed that TQM success factors were identified and proved statistically as: top management commitment, employee training, quality measurement and benchmarking, customer satisfaction, quality information system, policy and strategic planning.

In addition, there is an impact of TQM implementation as an independent variable on improving companies' competitiveness as the dependent variable. Moreover, TQM strategy impediments were identified as inappropriate organisation culture, lack of

employee empowerment, the weakness of continuous improvement and the government role through license.

At the beginning, the characteristics of the sample, the respondents and the participant companies are identified. Then the objectives that are related to TQM implementation are discussed. The overall aim of this study is to investigate the current status and subsequently to develop a model to assist the strategy of TQM in banking companies at CRDB Bank Ltd. In order to achieve this aim, the research objectives were developed:

1. To explore the degree of effectiveness of TQM practices in CRDB Limited.
2. To analyze the extent to which TQM practices affect organizational performance at CRDB Ltd.
3. To propose practical suggestions and recommendations to support the adoption of TQM and tackle the problem and challenges which exist in the organization.

The structure that the researcher adopted to discuss the research objectives was built on three stages. Each objective is discussed separately and the key's finding for each objective are identified:

- Present the collected data from the questionnaires.
- Present the findings of the interviews.
- Evaluate the emerged results with the TQM literature.

## **Section A: Personal details**

### **4.1 Characteristics of respondents**

The aim of this section is to describe the characteristics of the sample of the respondents, general managers, and employees. Tables below shows that these characteristics have been broken down into five main groups: gender, age, job, experience in the field of TQM and education level.

#### 4.1.1 Gender

The study considered the gender of the respondents in order to establish who among men and women were aware of quality management, also the researcher want to establish number of gender working in the named sector to know gender balance and their effect in practicing quality management effectively. In order to analyze the population involved in the study, respondents were categorized by their gender as presented in Table 1

**Table 1: Gender of respondents**

<b>Frequency</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
<b>Female</b>	69	57.5	57.5
<b>Male</b>	51	42.5	100
<b>Total</b>	120	100	100

Source: Field data 2014

Table 1 shows that 69 (57.5 %) of the respondents were females and the remaining 51(42.5%) were males.

The analysis showed that there are more females than males working in CRDB Limited. As a matter of fact, there will be a gap as most of women will ask for permission to attend maternity, clinic or do some parental works. This will affect quality of service in the organisation.

#### 4.1.2 Age of respondents

The age distribution was considered in order to establish the age composition of the respondents for instance, which age groups are aware of strategy and implementation of TQM in the organization. Also, the age group helped a researcher to examine the extent of effects of TQM practices CRDB Bank Ltd.

The findings show that nearly 44% of the respondents are near the retiring age of 60 which can have effect on productivity, again if care is not taken it could lead to expensive learning curve when most of these staff nearing their retiring go suddenly.

Hence findings suggest much effort should be taken to employ newly young age staff so as they can get training and inheritance from experienced personnel to avoid unnecessary training cost from outside the organization when cream personnel retire.

It could also lead to an expensive learning curve when most of the staff go on retirement around the same period. 52.5% of the respondents had worked with the company for more than 24 years. This indicates a low labour turnover which implies management could be doing something right with the human resource aspects of the TQM practices.

**Figure 2: Age of respondents**

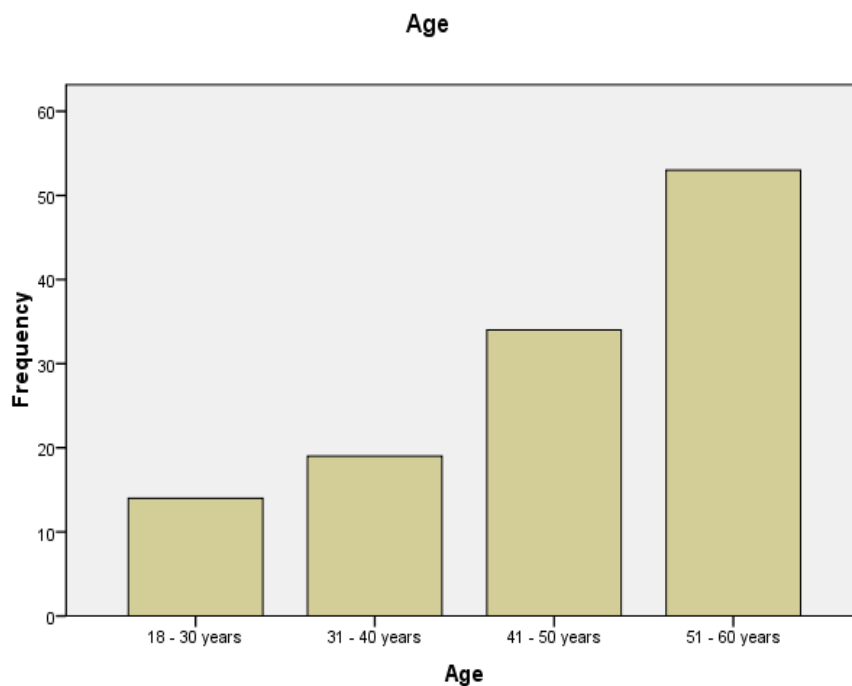


Fig. 1 Source: Field data 2014

The age pattern showed that 14 (11.7%) respondents fell in the age bracket 18- 30. 19 (15.8%) of the respondents fell in the bracket 31-40. That of the age bracket 41-50 was 34 representing 28.3% and that of 51-60 was 53 representing 44.2%.

#### 4.1.3 Educational background of respondents

It is believed that the level of education contributes a lot in making people aware of their profession ethics which are more related with code of ethics for customer services. Worker empowerment is important for keeping employees satisfied and productive. Harry Gaines suggests that a key component of achieving an organizational transformation is to allow employees to get comfortable with change by enable them to work in their fields they have studied and keep on improving their education level.

Table 2 shows various levels of education for respondents involved in the study.

**Table 2: Educational background of respondents**

	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative percent</b>
Secondary / technical	7	5.84	5.84
Training college	26	21.65	27.49
Polytechnic/ university	85	70.84	98.33
Others	2	1.67	100
Total	120	100	

Source field data 2014

Table 2 shows the educational background of respondents. 7 (5.84%) were holding Secondary or technical certificate. 26 (21.65%) were graduates from Training college. 85 (70.84 %) were graduates from the polytechnics or the Universities and 2 (1.67%) had other forms of certification.

The findings reveals that the company is doing well to employ skill labour to work with, however there are still some few staff that are middle school leaving certificate holders, which if care is not taken there could be problems of documentation and communication. It is suggested to put TNA (training need analysis) and on education improvement analysis which will enable to boost employee who are in need of improving work capacity implement newly needed strategy.

#### 4.1.4 Departments of respondents

Researcher is approaching to seek departments of respondents in order to measure number of units which affect works of quality management or play part in improvement of quality management works. Total Quality Management (TQM) is an approach that seeks to improve quality and performance which will meet or exceed customer expectations. This can be achieved by integrating all quality-related functions and processes throughout the company. TQM looks at the overall quality measures used by a company including managing quality design and development, quality control and maintenance, quality improvement, and quality assurance. TQM takes into account all quality measures taken at all levels and involving all company departments.

**Table 3:Departments of respondents**

	frequency	Percentage	Cumulative Percentage
Finance & Admin.	82	68.3	68.3
Marketing	8	6.7	75.0
Customer Serv.	21	17.5	92.5
Quality Assurance	9	7.5	100
Total	120	100	

Source: Field data 2014

Table 3 show that the majority of the respondents 82(68.3%) were from the Finance and Administration Department 8 (6.7%) of the respondents were from the Marketing Department. 21(17.5%) were from customer service Department. and 9(7.5%) were from the Quality Assurance.

The findings shows that there is too little number of staff in the quality assurance, if much effort won't be taken might lead to poor quality management in the organization. Numbers of staff complain much effort is being put in customer service, sales and collection of debt and this sensitive sector has been left behind in which to some extent it has taken the organization to suffer loss of executive customers. Therefore the study

suggests organization have to increase number of staff in Quality Assurance department in order to improve workings of quality.

#### **4.1.5 Length of Service of respondents with CRDB**

Length of service assumes legal significance inasmuch as the law sees an employee's length of service as an "element of their legal status in the enterprise", that is, as something which implies certain rights and obligations attaching to their legal situation as an employee. This notion is also referred to in English as "seniority".

Nowadays, there are very few legal rules which associate specific effects with the employee's length of service. They essentially relate to termination of the contract of employment, and specifically to the severance payment which is payable to the employee when the contract of employment is terminated and to the calculation of the required period of notice of termination of contract. Hence researcher wants to seek length of service of respondents and to how it affects TQM in the organization.

Table 4 show the length of service of respondents with CRDB Limited

**Table 4: length of service of respondents with CRDB Limited**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative</b>
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			<b>percentage</b>
Valid 1 – 5	13	10.8	10.8
6 – 11	22	18.3	29.2
12 – 17	16	13.3	42.5
18 – 23	6	5.0	47.5
24 and above	63	52.5	100
Total	120	100	

Source: field data 2014

Table 4 shows the length of service of respondents. 13 (10.8%) had worked for between 1-5 years. 22(18.3%) had worked for 6-11 years. 16 (13.3%) had worked for 12- 17 years. 6 (5%) had worked for 18-23 years. The majority of the respondents 63(52.5%) had worked for over 24 years.

Findings shows that turnover seem to be low which implies management could be doing something right with the human resource phase of the TQM. As it seems there is proper maintenance of staff, it will affect number of staff who will join Quality Management department in improving organization’s performance.

## **4.2 SECTION B: TQM PRACTICES IN CRDB LTD**

### **4.2.1 Respondents’ view of leadership commitment to the work**

This section presents findings about how leaders are commitment to work. The research examines how effectively TQM practices are being practiced and being in order. Researcher want to find out if there is proper flow of communication from top - down management in team work building.

Senior managers and TQM managers in CRDB Bank consider the value of top management commitment as a critical factor in the banking sector via visibility and, explicitly, active responsibility and inclination of the resources and time for quality management efforts. Furthermore, they are aware of the important role that top management commitment could play in implementing TQM philosophy in their company. These results referred to the General and TQM managers’ experience in working in the TQM field and their frequent attendance at national and international

TQM conferences. The interviews support these results; twelve out of sixteen of the interviewees consider “top management commitment” to be the most important factor of TQM implementation. One senior Manager stated that “*We established a quality team which includes employees from higher administration and from all departments to provide valuable suggestions to improve all processes*”.

The researcher wanted to evaluate if leaders are complete dedicated and committed to their job as well as sought if leaders have been trained and are competent enough to understand their work and able to perform and carry the work with ease. Also want to evaluate whether leaders at CRDB Bank are committed to whatever they do, produces their work in timely fashion, without any mistake as well as effectively coordinates across departments, and ensures that the other staffs, associated with their work and do their work properly.

The table below shows respondents’ view of leadership commitment to the work

**Table 5: Respondents view of Leadership Commitment to the work**

	<b>Frequency</b>	<b>percentage</b>	<b>Cumulative percentage</b>
Valid strong agree	57	47.5	47.5
Agree	56	46.7	92.4
Neutral	2	1.7	95.8
Disagree	3	2.5	98.3
Strongly Disagree	2	1.7	100
Total	120	100	

Source: Field data 2014

Table 5 indicate that 113 (94.2%) of the respondents were of the view that leadership was committed to the work. However 2(1.7%) were neutral in their response. 5(4.2%) disagreed. This indicates that management has demonstrated commitment to the work which is exemplary to the rest of the staff.

The findings show that leadership commitment to work in CRDB Bank Ltd is well practiced, Majority of the respondents agreed that leadership commitment to effective TQM practices were being practiced and being in order. This indicates that there is proper flow of communication from top - down management in team work building. It is perceived that majority of the workers agreed that CRDB Bank Ltd has some TQM practices in place. This might be attributed to the reason that the bank gives much attention for team work programs.

The researcher summarized the key findings regarding top management commitment (TMC).

- The participants consider the value of top management commitment as a critical factor in the banking sector through visibility and explicitly, active responsibility and inclination of the resource and, time for quality management efforts.
- The vast majority of head managers and TQM managers in banking companies are aware of the significant role that top management commitment could play in implementing TQM philosophy in banking companies.

The findings mirror the TQM literature. Salaheldin (2003) emphasised that top management commitment to quality was the most important driving force that prompts TQM implementation in Egypt, ranking 4.88 (using the five-point Likert scale). Hradesky (1995), regarding the allocation of adequate resources and time for quality management effort, emphasises that integrating the major companies' activities under

the TQM umbrella with appropriate devotion of both time and resources and the need for top management participation and performance should be adopted.

Moreover, the degree of visibility in implementing the TQM factor is considered as a critical element in the success of TQM implementation (Deming, 1982; Juran and Gryna 1980). Visionary leadership is core to the Deming management model and leadership is essential in order to create a service organisation that has both internal and external cooperation (Douglas and Fredendall, 2004).

#### **4.2.2 Employee involvement in quality decisions**

Employee involvement provides a solution to the age-old problem of ‘tailorised’ and bureaucratic workplaces where creativity is stifled and workers become alienated, demonstrating their discontent through individual or collective means. Furthermore, employee involvement can unleash the potential of individuals, or groups, of low status for taking over task-centered elements of managerial responsibilities. TQM practices motivate organisation members’ participation, promote empowerment, recognize that employees play an important role in achieving the organisation’ goals and treat employees as primary resources.

Respondents were asked to state to what extent they agreed or disagreed with the given statements regarding the level of employee involvement. Table 6 shows the results.

Table 6 reveals that not all elements have a high mean.

The findings show that number of the respondents agreed that employee involvement in quality decisions is being practiced and that customer satisfaction was every body’s business in the organization. Also a number of the respondents disagreed that CRDB had subscribed to employee involvement in quality decision. This implies TQM is not being implemented to the highest level to all staff members. This shows that close to half of the staff is not involved in quality decisions process, when this occurs it makes it difficult for them to own the decisions and work with them. This can also affect the implementation phase of these decisions

**Table 6: Employee involvement in quality decisions**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid strong Agree	10	8.3	8.3
Agree	54	45.0	53.3
Neutral	20	16.7	70.0
Disagree	6	5.0	75.0
Strongly Disagree	30	25.0	100
Total	120	100	

Source: Field data 2014

Table 6 shows respondents view of their involvement in quality decisions. 10 (8.3%) strongly agreed that they were involved in quality decisions. 54(45%) also agreed that they were involved in quality decisions. 20 (16.7%) also were neutral to the question. 6 (5%) disagreed. 30 (25%) strongly disagreed to the assertion that they were involved in quality decisions.

The researcher suggests that for organization to improve more in quality service it should put into consideration the following: Have effective employee suggestion systems; Encourage employees to submit suggestions; Evaluate employee suggestions promptly; Feedback evaluation results to suggestion providers; Implement some employee suggestions after evaluation; Provide recognition and reward for employee suggestions.

#### **4.2.3 Effective Communication**

The findings in table7 show clearly that majority of respondents agreed that TQM practices in CRDB Ltd in case of communication are being practiced. There is a clear sign that there is a communication network across departments at all levels within the organization. Communication between managers and employees is considered a significant process and critical to implementing their business strategy and improving productivity.

One senior manager stated that: *“Our company’s structure has a communication system that enables the channels of communication to be open. In addition, we visit the employees in their work place and listen to them from time to time. We encourage all heads of departments to transfer any problems or ideas to the management..... but the limited time prevents this process, particularly when our employees have many duties to achieve ”.*

**Table 7: Effective Communication**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid strong Agree	15	12	12.5
Agree	74	61.7	74.2
Neutral	8	6.7	80.8
Disagree	15	12.5	93.3
Strongly Disagree	8	6.7	100
Total	120	100	

Source: Field data 2014

Table 7 shows respondents ‘view on effective communication in the organization.15 (12.5%) strongly agreed that there was effective communication in the organization. 74 (61.7%) agreed that communication was effective. 8(6.7%) were neutral to the question.15 (12.5%) disagreed that communication was effective.8 (6.7%) strongly disagreed that communication was effective. Table 7 again shows that majority of the respondents agree that communication in the organization was effective.

It is worth mentioning that some of the interview participants did not mention the value of quality communication and structure as a critical TQM factor implemented and adopted in their companies. This indicates that they are not aware of the significant role of this factor, which might relate to the organization.

Findings suggest team of management to consider the following:

- Provide sufficient information to employees by means of regular meetings, posters, newsletters, videos, and broadcasting;
- Have effective information communication among different departments;
- Stimulate mutual communication among people at different levels

Juran and Gryna as well (1993) and Dalle (1999), supports the study finding asserting that in order to stimulate employee participation, a firm should have an effective information communication channel. Information communication is a means by which employees share ideas, clarify thinking and create a common understanding. Communication can be conducted between different departments, top management and employees, supervisors and employees, and employees themselves. The firm needs to communicate its vision, strategies, policies, and business plans to its employees. Employees can access necessary information sources needed for conducting their jobs. Relevant information available is the basis for problem-solving and employee participation. Many changes take place daily in a firm and it is important that they are communicated effectively to employees. Various means can be used to communicate, such as regular meetings, Intranets, newsletters, posters, videos, and broadcasting.

#### **4.2.4 System for recognition and appreciation of quality efforts**

From findings in table8 it shows that some of respondents disagreed that there is system for recognition and appreciation of quality efforts.

After evaluation, some suggestions should be practically implemented. Since most suggestion programs are oriented toward the lowest levels (the workers who actually perform the work) in the firm, the role of the first-line supervisor is critical. Negative comments, attitudes, and feedback from the supervisor can quickly kill the interest and enthusiasm of employees. In addition, it is also important to recognize and financially reward employees who submit good suggestions.

**Table 8: System for recognition and appreciation of quality efforts**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid strong Agree	17	14.2	14.2
Agree	43	35.8	50.0
Neutral	23	19.2	69.2
Disagree	26	21.7	90.8
Strongly Disagree	11	9.2	100

Total	120	100	
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Source: Field data 2014

Table 9 shows respondents' view on a system for recognition and appreciation of quality efforts. 17 (14.2 %) strongly agreed that there was a system like that. 43 (35.8 %) agreed to the assertion. However 23 (19.2%) were neutral. On the other hand 26 (21.7%) disagreed and 11 (9.2%) strongly disagreed.

To improve any discrepancy noted the following suggestion were made to the organization towards recognition and appreciation of quality efforts

Have recognition and reward plan;

- Have objective and measurable criteria for recognition and reward;
- Get recognition and reward program approved by the workers' congress.

Provide moral awards to well-performing employees by means of a thank-you note, oral praise, a letter of praise, award certification, or award ceremony;

- Reward employees fairly and rationally.

#### **4.2.5 Respondents view on training & development**

It is found that about half of the respondents hold the view that if they contribute to any quality efforts their efforts will not be appreciated. This is a bad development because it will stifle initiative and demoralize staff from coming up with quality initiative which would have gone a long way to enhance TQM practices. According to findings it has seen that employees have normally been working at a position for a long time and are very familiar with their work. It is easier for them to identify their working problems, find the causes of the problems, and develop solutions. Therefore, employees should be encouraged to submit their suggestions, which should be listened to and valued by the management. Since the solutions are suggested by the employees directly involved with the problem, implementation is usually ensured. Note that suggestions cannot be useful if they are not evaluated or implemented. In this regard, the firm needs to establish such a system that suggestions are carefully examined.

**Table 9: Respondents view on training & development**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid strong Agree	27	22.7	22.7
Agree	75	63.0	85.7
Neutral	4	3.4	89.1
Disagree	8	6.7	95.8
Strongly Disagree	6	4.2	100
Total	120		

Source: Field data 2014

Table 9 above shows respondents' views on training and development. 27 (22.7%) strongly agreed that staff were benefitting from training and development programmes. 75 (63%) also agreed to that. 4 were neutral. On the other hand 8 (6.7%) disagreed to the assertion and 5 (4.2 %) strongly disagreed to that. This table shows that most of the respondents (85.7%) are being trained and developed to handle some of the challenges on the job. Findings reveals that large number of staff are being taken to training and this is the good indicator as most of them will be aware of quality management and practice in the organization.

Employees need to accept education and training on quality management knowledge. This includes, for example, TQM, ISO 9000, the seven QC tools, the seven management tools, statistical process control, quality function deployment, and experimental design. To achieve a good training result, the training program should be well designed. Different types of employees require different levels of training. Even for the same quality tool or technique, the learning objective is also different. The aim of training is to apply quality management knowledge in quality improvement activities. Therefore, it is critical to define the most appropriate quality management knowledge that is of particular benefit to the firm. More importantly, employees can use quality management knowledge that they have learned in their practical work.

The following list summarises the key findings regarding employee empowerment and training (EET) based on the questionnaire and interview results.

- CRDB Bank Ltd provides training programmes, such as communication skills, effective meeting skills and leadership skills.

The semi-structured interview findings support those of the questionnaires. Seven out of sixteen participating managers stated that they run training programmes which aim to improve and provide their employees with up-to-date skills. They added that the employee empowerment programmes have a special focus in their companies.

Four out of the six staff interviewed mentioned that the company allocated a certain amount of money in their annual budget to spend on employees' training programmes conducted either inside or outside the country.

Face-to-face semi-structured interviews added a new dimension; one Senior Manager said that:

*“We believe in the importance of training programme to benefit our employees because we believe that they have positive results that reflect on the company’s product ability; during our preparation of the company’s budget, we point out from the beginning the expected spending on training programmes that are allocated as investment expenditure and not within current expenditure. This is contrary to what usually happens in other companies”.*

In the TQM literature, Tsang and Antony (2001) explained the importance of employee empowerment programmes; they added that trust is considered as a common element.

Employees should be encouraged to control, manage and improve the processes that are within their responsibility. In addition, they emphasised the importance of implementing employees' suggestions and introducing them into the companies' strategies. Moreover, Osuagwu (2002) confirms that the company must produce a decision-making authority that encourages the employees to create new ideas for improving quality and apply these notions at all levels.

Dale (2003) identified the value of training employees at all levels in organisations and stressed that the companies should support their employees with the right level and

standard of education and training to ensure that they had a general awareness and understanding of quality management concepts. He added that “*without training it is difficult to solve problems and, without education, behaviour and attitude change will not take place*”. Again Tsang and Antony (2001) indicated that employees must be recognised for their contribution and should feel that they are part of the organisation. Commitment, recognition and appreciation are necessary for employees to motivate themselves for more achievement.

#### 4.2.6 Respondents view on self assessment

Using self assessment tools, an employer can determine how key employees look at problems, solve them, work with other and react to pressure. This allows the employer to place different personality types together to create the best organizational structure, department and divisions.

Table below shows that most of the respondents (90.8%) agreed that the company assesses itself to see whether they are within the quality standards. This is a very good TQM practice.

**Table 10: Respondents view on self assessment**

	Frequency	Percentage	Cumulative percentage
Valid strong Agree	18	15.0	15.0
Agree	91	75.8	90.8
Neutral	6	5.0	95.8
Disagree	3	2.5	98.3
Strongly Disagree	2	1.7	100
Total	120	100	

Source: Field data 2014

Table 10 above shows respondents’ view on self assessment in the organization. 18 (15.0%) strongly agreed that there was self assessment. 91 (75.8%) agreed that there was

49 self assessment. 6 were neutral to the assertion. On the other hand 3 (2.5%) disagreed to the assertion while 2 (1.7%) strongly disagreed.

#### **4.3 SECTION C: EFFECTIVENESS OF TQM PRACTICES**

##### **4.3.1 Is customer satisfaction everybody's business in the organization?**

Since customer satisfaction is key in the survival of any enterprise and also central to TQM practices as from findings if this few respondents who don't agree to that assertion are right, then this could affect the effectiveness of the practices of TQM.

The key findings for customer focus/ satisfaction (CFS) are now given.

- The findings show that CFI as a major TQM factor is applied and adopted in CRDB Bank Ltd with high consideration given to its value for achieving successful TQM philosophy and programmes.
- The general and TQM managers of CRDB Bank Ltd are aware of the value and significant role that CFS plays in their company's improvement and success.

One TQM manager maintained that, in CRDB Bank, there is a system for monitoring customer complaints, their suggestions, recommendations and opinions about their services and products. Similar surveys were used with customers as the major method for collecting mass customer information. He stated that: *“The customer's voice is the signature that assists our company in seeking to develop its products, services and evaluation services. In our company we have a particular department that is responsible for measuring customer satisfaction via the survey and recording the customer's suggestions and recommendation in order to develop and justify our products and services”*.

**Table 11: Is customer satisfaction everybody's business in the organization?**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid Yes	105	87.5	87.5
No	15	12.5	100
Total	120	100	

Source: Field data 2014

Table 11 shows the respondents view on pursuance of customer satisfaction in the organization. 105 (87.5%) of the respondents was of the opinion that customer satisfaction was everybody's business. This indicates that this percentage of respondents could be working to achieve customer satisfaction. However 15 (12.5%) thought otherwise.

Findings suggest that in order to improve service efficiency and customer service quality, it is crucial that CRDB Bank Ltd computerizes its sales system and establishes its service standards. The survey showed that total customer service contributes to total customer satisfaction. Therefore, the firm should strictly fulfill contracts signed with its customers. Customers are at a great advantage today. They are more knowledgeable about the availability and quality of products and services. They demand ever more detailed information about products and services. Therefore, it is important that the bank develops an Internet homepage in order to deliver customers' required information promptly. It is also important to improve the skills of sales and service personnel. According to Dale (1999), service quality is increasingly becoming a more important factor affecting customer satisfaction, customer retention, and customer loyalty.

The literature that is written in the TQM area considers CFS as the ultimate reason for TQM philosophy implementation (Deming, 1986). Therefore, a satisfied customer is a critical factor for a successful internet company (Alomaim et al., 2003). Chapman and Al-Khawaldeh (2002) emphasised the need for adopting a customer satisfaction element in the companies that applied TQM philosophy and they considered it as key element for fixing and resolving customers' problems and complaints. Moreover, Zhang et al. (2000) pointed out that customers' complaints should be treated as high priority to improve the customers' satisfactions. Moreover, they emphasised the role of customer satisfaction surveys as measurement tools to increase the customer satisfaction in the organisations.

Evans and Lindsay (1999) indicated that ever-improving the value of products and services is directly connected to the satisfaction of customers. Retaining customers was

viewed as being dependent on achieving higher levels of satisfaction than those of the organisation's competitors.

#### **4.3.2 Department which is responsible for service quality in the organization**

Researcher wanted to analyse respondents' view on department responsible for service quality in the organization. Findings concluded that majority of respondents are aware of department which is responsible for service quality in the organization.

**Table 12: Department which is responsible for service quality in the organization**

	Frequency	Percentage	Cumulative percentage
Valid No body	5	4.2	4.2
Quality Control department	22	18.6	22.9
Quality Assessment	88	74.6	97.5
TQM Department	5	2.6	100
Total	120	100	

Source: Field data 2014

Table 12 shows respondents view on which department was responsible for service quality in the organization. 5 (4.2%) were of the view that no one was responsible. 22 (18.6%) thought that quality control department was responsible. 88 (74.6%) were of the view that quality assurance was responsible. 3 (2.5%) were of the view that TQM department was responsible. This table shows that majority (74.6%) of the respondents knew which department was responsible for service quality.

#### **4.3.3 Respondents' view on whether training received has impacted positively on the work.**

The finding shows that the training received by the respondents had helped them to impact positively on the work. This suggests that the training given was helpful. This is a good practice of TQM. The study explored the degree of effectiveness of TQM practices at CRDB.

The firm needs to identify its short- and long-term training needs, design training programs that address technical and behavioral issues, and have an evaluation system in place to check whether the training and development programs meet its objectives. It is important to arrange sufficient resources to implement the plan; otherwise, it is useless. In short-term, education and training costs money, while in long-term, it saves money. The firm should view employees as resources that can yield economic returns, and trained employees as investments of the firm. Employees should be regarded as valuable, long-term resources worthy of receiving education and training throughout their careers

From findings it shows that some people are not aware of their responsibility for quality management and implementation. Thus, responsible departments and other people in the organization should be informed about the amount of time that will be required of them in implementing the improvement plan. People should be totally (100% of their working time) involved in the implementation of the plan. Others may be partly involved. An improvement plan should be done involve all staff members in awareness of TQM and proper follow up on practice of it as well.

The time dimension can be used to guide the firm in implementing the improvement plan. It should be noted that a rapid change in the firm's normal practices may produce negative results. A step-by-step approach is highly recommended when the implementation team sets a time schedule for implementing the improvement plan.

**Table 13: Respondents' view on whether training received has impacted positively on the work**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid Yes	102	85.0	85.0
No	9	7.5	92.5
Neutral	9	7.5	100
Total	120		

Source: Field data 2014

Table 13 shows the respondents' view on whether training received has impacted positively on the work. 102 (91.9% of valid respondents) were of the view that the training has impacted positively on the work. 9 (8.1% of valid respondents) were of the view that the training received had no impact on the work.

#### **4.4 Section d: Effect of TQM on organizational performance**

##### **4.4.1 Respondents view on reworks in the departments**

Findings shows that over 35 % of the respondents are working in departments which are not effective or efficient since these departments are not doing things right the very first time. When this continues it could lead to loss of time and money and it will eventually affect productivity. This could contribute to ineffective TQM practices.

To improve on this, the organization has to formulate its improvement plan. This can be done by importing time schedules and major responsible departments involved in implementing the improvement plan should also be determined. Thus, the plan might be more practical and its implementation easily ensured. In order to reach this aim, researcher suggested that TQM managers are must stand as key people in formulating a more effective improvement plan.

**Table 14: Respondents view on reworks in the departments**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid Yes	43	35.84	35.84
No	70	58.32	94.16
Neutral	7	5.84	100
Total	120	100	

Source: Field data 2014

Table 14 shows respondents 'view on whether they undertake reworks in their

department.43 (35.84% of valid respondents) said yes. 70 (58.32% of valid respondents) said no and 7(5.84% of valid respondents) were neutral.

**4.4.2 Respondents view on the relationship between them and the organization can be described as satisfactory**

Findings showed that although number of respondents agree that relationship between them and organization can be described as satisfactory, there are few group of people who disagree with that and a matter of fact organization has to make measurement to improve in that area. Some measures like improve working environment for recognizing employees’ quality improvement efforts; Pay sufficient attention to employee well-being, safety, morale, and growth; Reduce employees’ working strengths by providing suitable equipment, devices, or tools should be put into consideration.

**Table 15: Respondents view on the relationship between them and the organization can be described as satisfactory**

	Frequency	Percentage	Cumulative percentage
Valid strong Agree	15	12.5	12.5
Agree	78	65	77.5
Neutral	12	10	87.5
Disagree	9	7.5	95
Strongly Disagree	6	5	100
Total	120	100	

Source: Field data 2014

Table 15 shows respondents’ view on the relationship that exists between them and the employer.15 (12.5% of respondents) strongly agreed that the relationship was satisfactory. 78 (65% of respondents) agreed that the relationship was satisfactory.12 (10% of respondents) were neutral to the question. 9 (7.5 % of respondents) disagreed that the relationship between them and the employer was satisfactory. (65% of respondents) strongly disagreed that the relationship between them and the employer was satisfactory.

#### **4.2.3 Respondents view on which of these Quality functions will help improve upon organizational performance.**

Majority of the staff (above 50%) are satisfied with their employer (CRDB). This could imply that the company is doing something right with the human phase of the TQM practices. However since it is not overwhelming majority of the respondents that held this view management could do more to make it more effective so that most of the respondents if not all should be satisfied.

This indicate divergent views and opinions on TQM concepts, it also indicates that the company has not reached the ultimate in the implementation of TQM. This implies that majority of the respondents believe that TQM will improve upon organizational performance.

**Table 16: Respondents view on which of these Quality functions will help improve upon organizational performance.**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Quality Control	4	3.34	3.34
Quality Assurance	37	30.84	34.18
TQM	45	37.5	71.68
All of above	23	19.17	90.85
Un aware	11	9.15	100
Total	120	100	

Source: Field data 2014

Table 16 shows respondents view on which quality function will help improve upon organizational performance. 4(3.34% of the respondents) were of the view that quality control will help improve upon organizational performance. 37(30.84% of the respondents) were also of the view that Quality Assurance will help improve organizational performance.45 (37.5% of the respondents) were of the view that TQM will help improve upon organizational performance.23 (19.15 % of valid respondents) were also of the view that all the functions that is Quality Control, Quality Assurance, and TQM will all help improve upon organizational performance.

#### **4.4 Section E: Senior staff views on organizational performance**

Analysis suggests there must be management practices throughout the organization to ensure the organization consistently meets or exceeds customer requirements. Strong focus on process measurement and controls as means of continuous improvement for proper organization performance should be implemented, TQM being a quality initiative.

##### **4.4.1 Respondents' view on customer complaints.**

Findings revealed that majority of the respondents were of the view that customers have issues with the company. These issues if not addressed could affect customer satisfaction and invariably weaken any bonds of customer loyalty, ultimately these issues could affect organizational performance.

**Table 17: respondents' view on customer complaints.**

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid Yes	18	81.8	81.8
No	4	18.2	100
Total	22	100	

Source: field data 2014

Table 17 shows respondents' view on whether the company receives customer complaints.

18 (81.8% of respondents) said yes they received customer complaints. 4 (18.2% of respondents) said they did not receive customer complaints.

##### **Respondents' view on number of customer complaints received For the past two years**

The findings shows that frequency of 1-4 complaints looks very small but if not properly addressed it could go a long way to affect organizational performance. These days of global competition customer concerns should be treated with all the attention that it

deserves. The customer complaints of 5-8 times in two years is worth mentioning. Though only 18.2% Of the respondents said so the frequency is still on the high side which goes a long way to buttress the point that management has a lot to do to satisfy customers completely. If these concerns are not adequately addressed it could adversely affect the performance of the organization.

**Table 18: Respondents’ view on number of customer complaints received**  
For the past two years

	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative percentage</b>
Valid Yes	18	81.8	81.8
No	4	18.2	100
Total	22	100	

Source: field data 2014

Table 20 shows respondents’ view on number of customer complaints received for the past two years. 18 (81.8% of the respondents) said they received between 1-4 complaints in two years. 18.2 % of the respondents said they received between 5-8 complaints in two years.

## CHAPTER FIVE

### Summary of findings, conclusions and recommendations

#### 5.0 Introduction

This chapter summarizes and concludes the entire study. It presents recommendations and the direction for future research.

#### 5.1 Summary

In the field of total quality management, confusion was raised with the TQM strategy and its effectiveness in banking organisation. In fact, much research dealing with the concept of TQM has been conducted. Different researchers have adopted different definitions of TQM; thus far, it has come to mean different things to different people. Concerning the effects of TQM strategy, different researchers have different findings. A number of researchers concluded that TQM strategy has effects on firms' business performance; whereas others stated that it does not lead to improvements in firms' business performance.

This study composed of an extensive review of TQM literature from quality gurus (Deming, Juran, Crosby, Feigenbaum, and Ishikawa), the three quality award models (the Deming Prize, the European Quality Award, and the American Malcolm Baldrige National Quality Award), and the others conducting research in the field of TQM. Thus, the concept of TQM adopted in this study was defined as: A management philosophy for continuously improving overall business performance based on leadership, vision and plan statement, evaluation, process control and improvement, quality system improvement, employee participation, recognition and reward, education and training, and customer focus. In this study, TQM consists of constructs. To implement TQM is merely to implement these TQM constructs through a set of practices such as using relevant tools or techniques. The extensive review of the TQM literature provided a solid foundation for conducting this research.

The extensive literature review on overall business performance within TQM suggested that four constructs of overall business performance were considered important by firms: Employee satisfaction, product quality, customer satisfaction, and strategic business performance. Thus, a model of TQM implementation and overall business performance was formulated on the basis of the existing research results. TQM implementation is the combination of its constructs. The links between TQM implementation and employee satisfaction, product quality, customer satisfaction, and strategic business performance are incorporated in a single model.

Furthermore, in order to explore the effects of the different TQM constructs, a model of TQM strategy constructs and overall business performance was developed on the basis of the existing research findings.

In order to reach the research objectives and answer the research questions, the following strategies for collecting data were adopted: A questionnaire survey, structured interviews, and a case study. 120 questionnaires were distributed to selected departments, some face to face interview was conducted and self observation was done.

The information obtained from interviews was used in developing the TQM implementation model and interpreting the findings from the questionnaire survey. The case study was conducted in CRDB Bank head office in order to demonstrate how to use this TQM implementation model in practice. In this study, all investigated firms were from Liaoning province due to practicality.

The purpose of the research was to assess TQM practices and its effect on organizational performance at CRDB Ltd. It is noteworthy that some of the recommendations made can help implement the TQM practices which could be employed to bring improvement in organizational performance at CRDB and other Banking companies in Tanzania. Primary data was collected by the use of questionnaire from a population of 124 respondents; however 120 of the questionnaire were retrieved from the respondents and analyzed. The objectives of the study were to explore the degree of effectiveness of

TQM practices in CRDB Ltd, to analyse the extent to which TQM practices affect organizational performance at CRDB Ltd and to identify the challenges involved in implementing TQM practices.

## **5.2 Conclusions**

The study sought to assess the TQM practices and its effect on organizational performance at CRDB Bank Ltd. The study made conclusion based on findings drawn from CRDB Ltd TQM practices and other critical factors.

### **5.2.1 Conclusion on critical factors**

The adoption of TQM factors in CRDB Bank is concluded in the following key points section.

- **Top management commitment**

Top management commitment is considered as a valuable and critical TQM factor by CRDB Bank Ltd staff. The companies employed this factor through being explicitly committed to quality, assuming active responsibility for the evaluation and improvement of management system and allocating adequate resources and time for quality management.

The vast majority of senior managers and TQM managers in CRDB Bank are aware of the significant role that the commitment of top management could play in implementing TQM strategy in the organization.

- **Quality communication and structure**

In CRDB Bank, the factor of quality communication and structure is applied in the TQM process. There is a communication network across departments at all levels within the companies. Furthermore, communications between managers and employees are considered a significant process in implementing their business strategy and productivity improvement. Moreover, the elements of quality management structure are in place to manage the organization's quality and to facilitate their quality strategy objectives.

- **Employees empowerment and training**

Summarizing the keys findings shows that CRDB Bank provides training programmes, such as communication skills, effective meeting skills and leadership skills, with high priority and attention. However, there is a lack of understanding of the value of empowering the employees' suggestions and engaging them in the companies' decision making. Therefore, it could be concluded that employee's empowerment should be studied as a separate factor from training in the CRDB Bank context.

- **Quality measurement and benchmarking (QMB)**

It is concluded that QMB is considered an important factor to apply and implement TQM strategy in CRDB Bank. This factor can be implemented through the awareness of the concept of benchmarking and TQM measurements. It is considered by the majority of TQM and senior managers as a valuable and beneficial factor for applying and implementing TQM. A company is considered as the most important measurement tool to be adopted.

- **Continuous improvement (CI)**

No clear evidence was found that CRDB Bank Ltd is aware of the means and value of adopting continuous improvement. Therefore, it can be concluded that CRDB Bank Ltd face relatively limited application and lack of awareness of continuous improvement.

- **Customer focus/ satisfaction (CFS)**

The summary of the findings related to CFS indicates that the vast majority staffs of CRDB Bank are aware of the meaning and the value of CFS. It is concluded that CFS exists and is adopted in CRDB Bank with high consideration given to its value.

### **5.3 Recommendations**

In the light of the findings and conclusions, the following recommendations are hereby proposed:

Efforts must be made to implement those TQM practices which are not being effectively practiced at CRDB Ltd so as to help improve on organizational performance.

There is need to employ quality functional deployment. This will enable quality systems to be built on customer needs and wants and also exceed customer expectations. When this is done it will help in addressing the issues of poor customer relations as well as prevent loses of customers as a result of not meeting customers 'expectations in terms of price.

Another recommendation is that, quality improvement efforts in CRDB Ltd should be appreciated. There should be systems for recognition and appreciation of quality efforts in order to motivate the staff to work effectively.

Last but not the least there is the need for CRDB Ltd to build trust amongst the staff so as to improve team work. Team work will enhance productivity and also improve upon employee involvement which is a key TQM practice employed to improve upon organizational performance.

#### **5.4 Areas for further Research**

The researcher, after conducting the research on total quality management strategy and its impact in banking organization would like to recommend further research to be conducted on the following areas:

- Assessment Tools for TQM Implementation and Overall Business Performance in Financial Organizations.
- Evaluation of the implementation of total quality management (TQM) within the information and communications technology (ICT) sector in banking industry.
- The role of strategic human resource management in banking sector through implementation of total quality management (TQM).
- Assessment of total quality management practices on organizational performance in banking industry in Tanzania.

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## APPENDIX 1

### QUESTIONNAIRE FOR THE STAFF OF CRDB LIMITED

To the Respondent

This questionnaire is designed to help the researcher to conduct a survey as part of research in assessing the impact of Total Quality Management practices on organizational performance at CRDB limited. Your assistance is kindly being sought to participate in this exercise by completing this questionnaire as frankly as possible.

Please be assured that information provided in this questionnaire is purely for academic purpose and therefore would be treated with utmost **CONFIDENTIALITY**.

Thank you.

### INSTRUCTIONS FOR COMPLETION OF THE FORM

**Please read each question and tick the statement or choose the number that clearly reflects your view, you can also express your views where necessary.**

#### SECTION A: PERSONAL DETAILS

1. Sex/ 

F	M
---	---

 Gender:

2. Age : 18 - 30years.....31 - 40..... years 41 - 50..... years 51 - 60 years.....

3. Educational Background: Non Formal Elementary/ Vocational.....

Secondary/Technical Training College... Polytechnic/University.....

Professional.....

Other Tertiary (please specify).....

4. Department.....

5. Category/ level.....

6. How long have you worked with CRDB Limited?

1- 5years..... 6 - 11years..... 12 - 17years..... 18 - 23 years.....

24 years and above.....

**SECTION B- TQM PRACTICES IN CRDB LTD:**

1. In your own words what does Total Quality management means to you?

.....

.....

2. List some TQM practices in your department.....

.....

3. Kindly tick the Agree Neutral, Disagree, Strongly Agree, area which reflects your view from strongly agree to strongly disagree

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I Leadership Commitment					
II. Policy Development					
III Empowerment/Employee involvement in quality decisions					
IV Effective communication					
V. Team work					
VI. System for recognition and appreciation of quality efforts					
VII Training& Education / development					
VIII. Managing by process					
IX. Self-assessment					
X. Quality Control tools					
XI. Cost of quality process					
XII. .Documented quality management system					

XIII. Supplier management					
XIV Customer management					

**THESE TQM PRACTICES ARE ALREADY EMPLOYED IN CRDB LTD, DO YOU AGREE OR NOT?**

.....  
 .....

**SECTION C: EFFECTIVENESS OF TQM PRACTICES**

1. Is customer satisfaction everybody's business in your organization?

YES	NO
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2. Which Dept. is responsible for product quality in the organization?

I. Nobody II. Quality Control Dept. III. Quality Assurance IV. TQM Dept.

3. Which of the following TQM practices are effectively being used in the organization?

I. Quality Circles..... II. Bench marking.... III. Quality functional deployment.....

IV. Employee development process management..... V. Self-assessment.....

VI. Policy Deployment VII. Supplier partnership VIII Design of experiments

4. Has the organization subscribed to any quality award system? Yes No

5. If yes specify.....

6. If no why?.....

7. Have you had any training on the job you are doing? Yes..... No.....

8. Has the training impacted on the work positively? Yes..... No.....

9. If no why?.....

10. All the resources you need to carry out any improvement on the job are readily available.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	2	3	4	5

**SECTION D: EFFECT OF TQM ON ORGANIZATIONAL PERFORMANCE**

- 1. Do you undertake reworks? Yes..... No.....
- 2. How many reworks do you do in a year?.....
- 3. What are your loss rate per annum?.....
- 4. There is a relationship between the concept of quality management and the success of the company

Strongly Agree    Agree    Neutral    Disagree    Strongly Disagree  
                  1            2            3            4                    5

- 5. Your relation with your employer can be described as satisfactory.

Strongly Agree    Agree    Neutral    Disagree    Strongly Disagree  
                  1            2            3            4                    5

- 6. Do you agree that CRDB Ltd is losing some customers?

Strongly Agree    Agree    Neutral    Disagree    Strongly Disagree  
                  1            2            3            4                    5

- 7. What do you think is the reason.....  
.....

- 7b. Do you think ineffective TQM is one of the reasons? Yes..... No.....

- 8. How many years have you practiced quality assurance in this organization
- 0 – 5.....
- 6 – 10.....
- 11 – 15.....
- 16 and above.....

9. Has the practice improved upon organizational performance in terms of customer satisfaction?

Yes..... No.....

10. Has it improved your organizational performance in terms of more sales?

Yes..... No.....

11. Which of these Quality functions will help improve upon organizational performance?

I. Quality Control .....

II. Quality Assurance .....

III. TQM .....

IV. All of the above .....

**Thank You for Your Corporation.**

**(FOR SENIOR STAFF ONLY)**

**SECTION: SENIOR STAFF VIEW ON ORGANIZATIONAL PERFORMANCE**

1. Do you receive customer complaints? Yes..... No.....

2. If yes how many did you receive in last two years.....

3. Have you experienced customer turnover from your organization? Yes.....  
No.....

4. If yes, why?.....

5. Have you lost some major tenders? Yes..... No.....

6. If yes, why? .....

.....  
.....  
.....  
.....

7. The volumes of sales have increased in the last two years compared to the previous years, do you agree?

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	2	3	4	5

8. In your view what do you think management could do to improve upon organizational performance?

.....  
.....  
.....