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**Dr. W. B. BELLO, Dr. M. A. MOSOBALAJE  
Dr. G. O. OYELERE, Mr. R. A. AJAO**

## IMPACT OF TOTAL QUALITY MANAGEMENT PRACTICE AND STRATEGIES ON ORGANIZATIONAL PERFORMANCE IN NIGERIA

Adeagbo K. R<sup>1</sup>; Aliu, I. A<sup>2</sup>; Ojebola, O. O.<sup>3</sup>; Adigun, P.O.

<sup>1</sup> Department of Business Administration & Management, Oyo State College of Agriculture and Technology, Igboora, <sup>2,3</sup> Department of Accountancy, Oyo State College of Agriculture and Technology, Igboora  
Corresponding email: [kennyade2002@yahoo.com](mailto:kennyade2002@yahoo.com); [bamoyscatech@gmail.com](mailto:bamoyscatech@gmail.com)

### Abstract

*Recent studies on total quality management delved on the relationship between the Total Quality Management and organizational performance; yet, little is known about the quality practice and strategies in developing countries especially in Nigeria. This study investigated the impact of Total Quality management (TQM) practices and strategies on organizational performance. The paper discussed the implementation of total quality management in Nigeria and explored the relationship between the effective implementation and organizational performance. TQM in Nigeria was adopted in five categories of implementation methods including the team involvement, customer focus, improvement of efficiency, data driven and continuous improvement. The study reveal that the current position of Total Quality Management implementation in Nigerian companies is encouraging considering the fact that management philosophy is relating anew in the country. Hence, the study recommends that management of Nigerian companies should be strategic in planning and implementation of TQM practices with a view to reaping long term benefits of the practice as has been obtainable in the developed countries around the globe.*

**Keywords:** Customer satisfaction, Total Quality Management, Organisational performance, Quality practice.

### Introduction

Total Quality Management focuses on continuous process improvement within the organizations to provide superior customer value and meet customers' needs; it is achieved through an integrated effort among the personnel at all levels to increase customer satisfaction by continuously improving performance. TQM is a management philosophy intended to empower every member of the organization. It is meant to promote continuous, sustained, and long term improvement in quality and productivity and to eliminate employees' fear of change. Its basic principle is that the cost of prevention is less than the cost of correction. (Davood *et al.*, 2013). They suggest that TQM is not just another management fad; it is capable of delivering real competitive advantage. The TQM approach integrates the fundamental techniques and principles of quality function deployment, statistical control, and existing management tools in a structured manner. Nevertheless, Nigeria has witnessed a critical economic crisis that affected all its industrial sectors (Soltani & Lai, 2015). Moreover, Soltani and Lai (2007) conclude that, to survive and succeed in the business environment, competitive pressure has forced some organisations to adopt quality management systems, hence TQM became a major survival strategy in the since the last three decades.

Total Quality Management (TQM) is considered a very important factor for the long-term success of an organization. One of the major problems faced by most companies in Nigeria is how to adopt a strategy for high-quality product that will satisfy the needs of the customers at a reduced and effective price and still ensure that they remain in business without incurring debt. TQM implementation has been an important aspect for improving organizational efficiency while the theoretical research is still insufficient to create an in-depth understanding for the term of total quality management (Thiagarajan *et al.*, 2001). Different strategic reasons such as globalization directly enhance the interest of developing countries in quality, thus the focus on TQM to gain economic benefits (Al-Qahtani *et. al.*, 2015).

Measurement of performance is considered an essential element at all managerial approaches. Cost and quality are the two main measurements of organizational performance which is directly affected by the total quality management practices. Sadikoglu and Zahir (2010) and Brun (2010) agree that applying various TQM practices such as training, process management, customer management, etc. influence employees performance which then directly affect the whole organization performance. Gharakhani (2013) also note that TQM greatly influences the organization especially in financial performance. With the increasing demands to achieve a high quality products and services, organizations have realized the importance of applying total quality management practices to the production processes in order to minimize costs and to create products with high quality characteristics.

TQM is seen as a strategy that considers customers as the main concern, in which it directly aims to provide them with a high quality services and products through adding continuous improvements in the production processes. In an empirical study, Soltani and Wilkinson (2010) found that the four main TQM propositions are affirmation of quality, individual, firm and the senior managers' functions. They noted that TQM is a new strategy and the implementation approach is the quality control. Wen *et al.* (2009) and Leticia (2007) discuss the impact of TQM practices on the level of customer satisfaction especially in the public sector services and from the managers' perspective. They focus on planning in strategic way, management of processes and employees, leadership, customer concern, and measuring on both internal and external customers' satisfaction level for the quality of perceived products and services. The study indicated a positive relationship between TQM practices, employees focus with satisfaction levels of customers.

Quality can be defined as the ability of products and services to cover customers' demands and achieve high level of customer satisfaction. Lakhal *et al.* (2006) and Talha (2004) view that the practices of TQM directly contributes in enhancing the performance of organizations by minimizing costs, enhancing performance of staff members, and increasing the degree of customer satisfaction. Although Saizarbitoria (2006) clarifies that TQM directly impact the performance of organisations in positive way. He found a strong relation between manager commitment and satisfaction of customers. On the other hand, some TQM practices such as planning in a strategic way and management of processes have less effect on satisfaction levels of customers. In the work of Lord and Lawrence (2001), the state that management of quality process must start at the beginning of the project and ends after achieving the quality standards.

This study provides ample information on the quality practice and strategies in developing countries especially in Nigeria by a way of exploration to bridge the observed gap. It examines the contributory factors to the success or failure of the Total Quality Management strategy in companies in Nigeria with a view to seeking the impact of TQM implementation on the organizational performance in Nigeria.

### **Theoretical framework**

According to Gharakhani *et al.*, (2013), theory on Total Quality can be summarized as follows: Quality leads to lower costs as defects are reduced; quality is made in the boardroom; it cannot be instilled into shop floor without the initiative and commitment of top management; most defects are caused by the system not the worker; inspection is too late; aim to reduce defects during production and eliminate mass inspection; eliminate numerical quotas, slogans, exhortation and targets for the workforce and promote sustained and continuous improvement of process and quality of output; drive out fear of change from workers; institute a vigorous program of education, training, and retraining to help the workforce improve continuously and to increase their job security; break down barriers between staff areas and abandon review systems that will destroy teamwork and create rivalry; end the practice of awarding business on price tag alone; and look for suppliers committed to quality and develop long term relationships with them.

### **The Total Quality Management (TQM) Strategy**

Gharakhani (2013) identifies that four components of a successful TQM strategy are customer satisfaction, employee involvement, managerial leadership, and process improvement and control. Marketing theory has long recognized the importance of customer satisfaction to the business organization. Quality-focused organizations must identify their customers - both internal and external, determine the specific needs of these customers, integrate all activities of the organization including marketing, production, finance, and human resource management to satisfy the needs of the customers; to follow up to ensure the customers have been satisfied.

By bringing together the easily assembled costs of review, inspection, testing, scrap, and rework, one can convince management and others of the need for quality improvement. Cost of quality has received increasing attention in recent years in designing quality into the products. Designing to simplify manufacturing utilizes cross-functional teams to reduce the number of parts per product and standardize the parts, which results in more efficient process management by reducing process complexity and process variance. Effective supplier quality management is facilitated by long-term, cooperative relationships with a few suppliers as possible to obtain quality materials and/or services. Maintaining a small number of suppliers improves product quality and productivity of buyers by encouraging enhanced supplier commitment to product design and quality.

Quality creates not only a price-value advantage over competitors but also enables the firm to charge a higher per unit selling price through differentiation. A strategy of high quality leads to a sustainable competitive advantage. Firms competing on quality pursue an operational strategy that controls quality of the product/service and seeks continuous improvement. Examples of total quality management system strategies as advanced by The Certified Manager of Quality/Organizational Excellence (2020) are as follows:

Strategy 1: The TQM element approach takes key business processes and/or organizational units and uses the tools of TQM to foster improvements. This method was widely used in the early 1980s as companies tried to implement parts of TQM as being learnt. Examples of this approach include quality circles, statistical process control.

Strategy 2: The guru approach uses the teachings and writings of one or more of the leading quality thinkers as a guide against which to determine where the organization has deficiencies. The organization makes appropriate changes to remedy those deficiencies. For example, managers might study Deming's 14-point philosophy on total quality.

Strategy 3: In the organization model approach, individuals or teams visit the organizations that have taken a leadership role in TQM and determine their processes and reasons for success. They then integrate these ideas with their own ideas to develop an organizational model adapted for their specific organization. The method was used widely in the late 1980s.

Strategy 4: The Japanese total quality approach is used by organizations to examine the detailed implementation techniques and strategies employed by Deming prize-winning companies and to develop a long-range master plan for in-house use. This approach was used by Florida Power and Light among others to implement TQM and to compete for, and win, the Deming prize.

Strategy 5: The award criteria approach is used by organization as the criteria of a quality award like the Deming prize, the European Quality award, or the Malcolm Baldrige National Quality award to identify areas for improvement. Under this approach, TQM implementation focuses on meeting specific award criteria. Although some argue that this is not an appropriate use of award criteria, some organizations do use this approach and it can result in improvement.

### **Implementation and practices of TQM in Nigeria**

Several methods have been utilized to implement total quality management in the organizations in Nigeria as a developing country. The main five categories of implementing total quality management strategies are as follows:

**Efficiency improvement:** Businesses use quality management systems to improve the efficiency of their processes, which can help increase profitability. Total Quality Management systems use a variety of tools and theories to empower employees, build a team atmosphere and focus on the voice of the customer to deliver quality products on time to customers. The companies which come under this category are considered as firms dominant on the market and as a universal champion with their products and services. These companies in Nigeria aim to provide others with a benchmark for the effective quality performance, and organisations that followed this category are defining quality as the process of achieving the overall satisfaction of customer.

**Continuous Improvement:** Organizations using a TQM system engage in incremental improvements continuously to affect the quality of the business's processes and products. A continuous improvement approach requires employees to strive for zero defects and efficiency in all processes. Continuous-improvement activities seek areas requiring improvement in a proactive manner. There was a marked difference between the companies in their orientation to continuous improvement. Most of the companies in Nigeria carries out regular measurements of the quality improvements to show evidence of change, and adopted a preventive approach to managing errors.

**Customer Focus:** External and internal customers are the focus of TQM systems. External customers are businesses or individuals who place orders for products from an organization. Internal customers in an organization are co-workers or departments that accept work as it moves through the company. For example, in a production line, an internal customer is the co-worker at the next stage in the manufacturing process. In a business that practices Total Quality Management, each employee must identify his customers and determine the best way to satisfy their quality needs. Survey shows that in Nigeria, employees identify their suppliers and communicate their quality needs to the supplier.

**Team Involvement:** TQM systems rely on the people working in an organization to improve quality and processes. Every individual from top-level managers to the lowest level employee is involved in the continuous improvement process in organizations using this system. Companies provide training in the tools, concepts and techniques of the quality management system to all employees. TQM companies create an atmosphere of teamwork and empower workers to take the initiative to improve processes and quality. These systems cannot function without the involvement and encouragement of upper management.

**Data Driven:** TQM organizations use measurable data to make decisions for the company's improvement efforts. Tools such as statistical process control, process mapping and bar graphs help employees and management identify quality issues and provide a method to measure the success of a quality initiative. Flow charts help quality improvement teams understand a process and identify weaknesses such as duplications of steps in the workflow. Businesses use data to track quality defects and find areas that need improvement

### **Conclusions and Recommendation**

This study focused on examination of the relationship between the total quality management and organizational performance. The study has provided information on the current position of TQM implementation in Nigeria. It was deduced that the impediments to the implementation of TQM within the Nigerian industries are similar amongst organizations from different parts of the world. Nevertheless, the effective implementation of TQM comes with improved company morale and a companywide spirit of teamwork. It will therefore take Nigerian companies more years of practice in order to enjoy the benefits of TQM. The study recommended that management of Nigerian companies should be strategic in planning and implementation of TQM practices so as to experience the long term benefits of the practice as it has been experienced in developed countries around the globe.

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