

# The Effect of Total Quality Management (TQM) on Operational Performance in Garment Companies in Sukabumi

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## ABSTRACT

TQM has emerged as an important management principle for improving operational performance in several sectors. The purpose of this research is to see how the influence of the TQM method on the operational performance of a clothing company in Sukabumi, Indonesia. Employee surveys were used to gather information, and multiple regression analysis was used to examine the relationship between TQM procedures and operational performance. Findings indicate that all elements of operational performance, including productivity, quality, cost, delivery, and flexibility, improve significantly through employee empowerment, continuous quality improvement, and fact-based management. The findings of this study have important implications for garment companies in Sukabumi and other similar industries in Indonesia.

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## 1. INTRODUCTION

Every industry must improve the quality of its goods and services if it is to remain competitive and meet increasing commercial problems. Many businesses have spent significant resources adopting and implementing Total Quality Management (TQM) to meet the demands of global competitiveness

The management concept known as total quality management (TQM) is centered on customer satisfaction and continuous improvement. This requires determining which behaviors influence outcomes in a beneficial way, which areas require greater attention, and which strategies should be overused. With the involvement of all

business units, TQM is a management system that aims to plan, implement, improve, and manage company quality in line with company policies and objectives that have been set. The use of TQM ensures that all of an organization's management practices form a coherent system, which is continuously improved [1], [2]. TQM can be applied across a variety of industries, including education, manufacturing, and construction [3], [4].

Implementing Total Quality Management (TQM) can be a challenge for organizations. Some of the challenges include low employee engagement, lack of support from senior management, scarcity of resources, lack of proper communication and

handling of the transformation brought to the organization, and inappropriate training and awareness methods [5]. Other challenges include quality fulfillment and leadership, employee culture, personnel, technical and process management, resources, infrastructure and internal communication barriers [6]. To successfully implement TQM, organizations need to address these barriers and design critical success factors such as leadership and top management commitment, customer focus, employee training, procurement management, information and analysis, and process management [7]. A case study of the tractor manufacturing industry in India shows that implementing customer-centric TQM initiatives helped the industry regain its market position and increase customer satisfaction [8].

Measuring the success of implementing Total Quality Management (TQM) in an organization can be done in various ways [7]. One way is to analyze the critical success factors (CSF) associated with the successful implementation of TQM, such as leadership and top management commitment, customer focus, employee training, procurement management, information and analysis, and process management [6]. Another way is to evaluate the effect of implementing TQM on organizational performance, such as production performance [9]. It is important to note that the successful implementation of TQM may take time, and clear results cannot be expected until around 2-3 years after implementation [10]. In addition, it is very important for management to conduct training, ensure effective communication, and involve people in the implementation process for TQM to be successful [10], [11].

Measuring the success of implementing Total Quality Management (TQM) in an organization can be done by evaluating critical success factors (CSF) and using measurement instruments to measure each critical dimension in a timely and comprehensive manner [12]. CSFs can be classified into 11 different dimensions, including leadership and top management

commitment, customer focus, employee training, procurement management, information and analysis, and process management [12]. In addition, a study on TQM implementation in public hospitals found that effective TQM implementation requires high top management commitment, employee involvement, and continuous improvement [13]. Another study on the effect of TQM implementation on organizational performance found a positive relationship between TQM and company performance, but no relationship could explain the level of TQM implementation and production performance level [5], [14], [15].

Several studies have investigated the application of TQM in the ready-made garment (RMG) sector in Bangladesh and Pakistan. These studies find that TQM practices and utilization of modern technology are important for improving the performance of the RMG sector [16]. Lack of employee trust in senior management, lack of formalized strategic plans for change, and lack of leadership are some of the challenges faced by the ready-made garment industry in Pakistan in implementing TQM principles [17]. TQM practices related to people, such as top management leadership, employee empowerment, employee engagement, teamwork and compensation, have been identified as the most critical practices for organizational success in the apparel industry in Sri Lanka [18].

The garment industry is one of the leading industries in Sukabumi, Indonesia. Garment companies must identify strategies to improve their operational effectiveness to be competitive as industry competition increases. Total Quality Management (TQM) is a strategy that has been used by businesses to improve their operational performance. TQM is a management approach that emphasizes constant development across the board in an organization. The purpose of this study is to ascertain how TQM affects operational performance in a Sukabumi clothing company.

## 2. LITERATURE REVIEW

### 2.1 Total Quality Management Against Operational Performance

Total Quality Management (TQM) is a management strategy that involves all employees in a continuous improvement process to increase the caliber of the organization's goods and services. The relationship between TQM and operational performance has been extensively researched in the literature. Several studies have been conducted to investigate the impact of TQM practices on operational performance in various industries one study [19] investigated the impact of TQM and supply chain management (SCM) practices on operational performance in the Indian pharmaceutical industry. This study finds that TQM practices have a direct impact on operational performance. However, TQM practices also have a direct impact on supply chain components, which in turn affect overall operational performance. This study concludes that TQM practices are very important for the pharmaceutical industry and are the essence of achieving a smooth supply chain, which will have a greater impact on achieving operational performance. Another study [20] examined the impact of TQM on the operational performance of pharmaceutical manufacturing companies in Ethiopia. This study finds a strong relationship between TQM practices and operational performance among pharmaceutical manufacturing companies. The study also identified seven critical success factors for TQM that are relevant to the pharmaceutical industry, including customer focus, process management, product design, and human resource management. Third study [21] investigated the impact of TQM and total productive maintenance (TPM) practices on operational performance in the Indian pharmaceutical industry. This study found that TPM practices have a significant impact on operational performance at the plant level. When TPM and TQM practices are combined to achieve operational performance, TPM has a strong influence on operational performance. TQM is also

significantly supported by TPM to achieve operational performance. Overall, the literature shows that TQM practices have a positive impact on operational performance in various industries. The studies also highlight the importance of combining TQM practices with other management approaches, such as supply chain management and total productive maintenance, to achieve optimal operational performance.

The literature exploring the relationship between TQM and employee performance in the Malaysian automotive sector is reviewed in this study. The findings of this study support the notion that TQM is essential for businesses, especially in the automotive sector, to thrive in a cutthroat global market. Business performance will increase with the application of TQM principles. The relationship between TQM procedures and company performance in Vietnam was investigated through research. This study highlights six component criteria, including leadership, process management, quality information, staff training, customer focus, and supplier management, which are critical for TQM adoption. The function of non-financial performance as a mediating factor in the relationship between TQM practices and financial success is examined in this study. According to the findings of this study, non-financial performance in the Vietnamese context plays an important role as a full-fledged mediator in the relationship between TQM practices and financial performance. This study suggests that Vietnamese companies must have a strong commitment to putting the TQM philosophy into action at the initial step of the TQM implementation process in order to achieve considerable benefits in long-term development.

## 3. METHODS

This research will use a quantitative research design [22], to investigate the effect of TQM on the operational performance of a garment company in Sukabumi. A survey questionnaire will be distributed to employees in the garment company to collect data on their perceptions of the company's

TQM practices and operational performance. The sample for this study will consist of employees who work in a garment company in Sukabumi. A stratified random sampling technique will be used to select participants from various departments and levels within the organization and 150 samples or employees are willing to be involved in this study. Data analysis was carried out using SPSS version 20 software [23].

**4. RESULTS AND DISCUSSION**

**4.1 Demographics**

The majority of employees in a garment company in Sukabumi Regency are women. The company believes that women are more diligent and disciplined at work, so that when recruiting new employees, the company prioritizes women. The age of the respondents' colleagues who are also the company's colleagues is dominated by productive age, which is a strong momentum for the company in utilizing the company's operational performance. Most of the respondents worked for less than three years on average. Since only 30 out of 150 respondents are permanent employees of the company, this is related to the law governing employee contracts.

Table 1 Mean and Standard Deviation

Variable	Means	SD
Customer satisfaction	3.87	0.72
Employee Empowerment	3.93	0.67
Management Quality Improvement	3.80	0.74
Fact Based Management	3.85	0.73
Operation Performance	3.76	0.78

Source: Author (2023)

Table 2. TQM Regression Results on Operational Performance

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	std. Error	Betas		
(Constant)	3,767	1,604		2,329	.024
Customer satisfaction	.242	.106	.346	2,346	.004
Employee Empowerment	.019	.035	.562	4,536	.000
Continuous Quality Improvement	.446	.128	.443	3,469	.001
Fact Based Management	.408	.081	.653	5038	.000

a. Dependent Variable: Operational Performance  
Source: SPSS (2023)

At a garment company in Sukabumi Regency, customer satisfaction has a good impact on operational performance (sig 0.05). In one of the garment companies in Sukabumi Regency, employee empowerment has a good impact on operational performance (Sig 0.00). At a garment company in Sukabumi Regency, continuous quality improvement has a good impact on operational performance (Sig 0.00). In one of the garment companies in Sukabumi Regency, fact-based management improves operational performance (Sig 0.00).

Table 3. R<sup>2</sup>

**Summary models**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.727a	.528	.486	1.02647

a. Predictors: (Constant), Customer Satisfaction, Employee Empowerment, Continuous Quality Improvement, Fact Based Management

Source: SPSS (2023)

**4.2 Discussion**

The findings of this study indicate that the application of TQM principles can improve the operational performance of a company in the garment industry in Sukabumi Regency. The research findings specifically show that fact-based management, employee empowerment, continuous quality improvement, and customer satisfaction are key elements that can improve operational performance in

terms of productivity, quality, cost, delivery, and flexibility.

This study offers empirical evidence that the implementation of Total Quality Management (TQM) can improve business operational performance. The TQM strategy used in this research addresses a number of issues, including elevating employee status, promoting staff quality improvement, and implementing fact-based management. It is very important for clothing manufacturers in Sukabumi Regency to successfully adopt TQM as it can have a positive impact on their services and output. If TQM is implemented in accordance with established guidelines and procedures, this can improve the company's operational performance. This is because high-quality output can produce customers who are satisfied with the quality of the products and services provided by garment companies in Sukabumi Regency.

## 5. CONCLUSION

In conclusion, this study found that TQM practices, particularly employee involvement in quality improvement, continuous improvement processes, and employee training and development, can have a significant positive effect on all aspects

of operational performance in the garment industry, especially in a company in Sukabumi.

These findings suggest that garment companies in Sukabumi and other similar industries in Indonesia can improve their operational performance by adopting TQM practices that focus on customer satisfaction, employee empowerment, continuous quality improvement and fact-based management. The results of this study also highlight the importance of maintaining high levels of management and employee empowerment, as well as a continued focus on customer satisfaction and continuous quality improvement.

Overall, this research contributes to an understanding of the effectiveness of TQM practices in the garment industry, especially in one of the Garment Companies in Sukabumi, and provides practical insights for managers and practitioners on how to improve operational performance through implementing TQM practices. Future research can explore the impact of TQM practices in other industries and in other areas in Indonesia, as well as the role of organizational culture in the successful implementation of TQM practices.

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