

# A STUDY OF IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT (TQM) AND IT'S

## IMPACT ON SMEs' PERFORMANCES IN GAMBANG

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### ABSTRACT

This research was carried out to study the most important TQM component and TQM impacts to the SMEs performance. There are five component of TQM, management commitment, customer focus, quality cost, quality system, and continuous improvement. The target population was owner or manager SMEs companies in Gambang. The number of population is forty (40). Thus, the number of samples of this research will be 36. The questionnaire based survey was used and thirty-six (36) sets of questionnaires were distributed to respondents. Questionnaires analysed by SPSS. Reliability and Mean score analysis to know which component of TQM should emphasized. It was found that customer focus was the most important component of TQM in the SMEs in Gambang and we had identified that improvement of customer satisfaction was the most positive impact on the SMEs performance when implemented the TQM.

### INTRODUCTION

Implementation of TQM is not the something new in SMEs sectors in Malaysia. TQM are management philosophy that implement in large companies or small companies to enhance their performance and also to remain competitive. So, to investigate the implementation of TQM in SMEs, this research will identified the most important components of TQM and the impacts of TQM in SMEs performances.

### RESEARCH OBJECTIVES

- I. To investigate the most important components of TQM in SMEs industry at Gambang.
- II. To determine the most positive impacts of implementation of TQM in SMEs performances

### RESEARCH QUESTIONS

- I. What the most important components of TQM in SMEs industry in Malaysia?
- II. What the most positive impacts of TQM on SMEs performances?

### METHODS

- Questionnaires (Quantitative Method)
- Email
- Telephone calls
- SPSS Software

### RESEARCH FRAMEWORK

#### Independent variables

- Management commitment
- Customer focus
- Quality cost
- Quality system
- Continuous improvement

#### Dependent variables

- SMEs Performances

### CONCLUSIONS

The research reached the objective. The SMEs companies in Gambang should practise the TQM to improve their performance. Result shows that positive impacts of TQM towards SMEs companies. SMEs companies should take the action about implementation of TQM in their company.

### RECOMMENDATIONS

- Give extra focus in Customer Focus components
- Maintain focus on all components of TQM
- Should improve the way managing the TQM

### RESULTS

- Summary findings the mean score analysis for section B to determine the most important components of TQM in SMEs companies in Gambang :

Section B	Total Quality Management (TQM) Component	Mean	Average mean score	Standard Deviation
1	Management Commitment	3.58	4	0.330
2	Customer Focus	3.79	1	0.237
3	Quality Cost	3.60	3	0.298
4	Quality System	3.52	5	0.300
5	Continuous Improvement	3.69	2	0.299

- Summary finding the mean score analysis for Section C to identified the most positive impacts of TQM in SMEs companies in Gambang :

Section C	SMEs Performances Statement	Mean	Average mean	Standard Deviation
1	Customer satisfactions has shown improvement.	3.79	1	0.781
2	The numbers of products /service defects, errors, or failure found by customer have decreased.	3.58	4	0.678
3	The number of customer complaints has decreased.	3.58	4	0.800
4	Our financial result have been improving	3.72	2	0.732
5	Our quality program has improved our business performance in general.	3.43	9	0.765
6	Our company has developed a culture that emphasizes quality.	3.53	7	0.654
7	Cost of quality have decreased	3.68	3	0.652
8	The numbers of employees participating on quality team has increased.	3.55	6	0.789
9	Productivity has increased	3.45	8	0.688
10	Partnerships with suppliers has improved quality of purchased parts.	3.32	10	0.653