

# Changing Employee Attitude with Respect to TQM and Profit Sharing on Continuous Improvement Orientation

**P. Senthilmurugan\***

*School of Business Studies and Social Sciences, Christ Deemed to be University, Bengaluru, India*

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**\*Author for correspondence:**

P. Senthilmurugan  sen698@gmail.com

## Abstract

Total Quality Management (TQM) has remained on the fringes of mainstream academic research while the practitioners-oriented literature on TQM has mushroomed, within an explosive number of articles promulgating the 'how to succeed' recipe. The aim of this paper is to examine the effects of change on employee's orientation to continuous improvement. The study empirically tests the assumptions underpinning the TQM framework that training and education will lead to effective change at the individual level in relation to the goals of TQM.

**Keywords:** TQM, Employee attitude, Profit sharing, Continuous improvement

## 1. Introduction

The antidote in the form of rigorous scientific studies is beginning to take effect, with recent contributions investigating a variety of theoretical and empirical issues surrounding TQM. These contributions have been partly overshadowed by a perception that TQM has a faddish character. However, **Cardy and Stewart (1998)** argue that particular quality programs may come and go as fashions changes, yet the underlying principles may endure for years to come. Despite the emergence of more rigorous studies, empirical research examining and evaluating changes in a TQM context remains quite exclusive. The empirical research that does exist offers mixed support for the efficacy of TQM. With some studies suggesting

that TQM can affect organizational performance and others failing to demonstrate any effect. The mixed support for TQM may be the result of insufficient attention to attitudinal change. Several researchers have highlighted the importance of attitudinal changes to the success of interventions such as TQM assert that the inability to changes the organizational culture may account for the success or failure of initiatives like TQM. More generally, Devos, Vanderheyen and Van den broeck note that the failure of changes frequently is a consequence of the lack of motivation and commitment of employees who are required to implement the change. Within the TQM arena, the dominant approach to achieving. Organizational change is through the mechanism of training and education and at

the same time, the importance of top management and first-line supervisor support for the changes is recognized. As Kaplan, Birmingham and Ferris argue, TQM's emphasis on logic and rationality implies that organizational members who are not pro quality at first merely need to be educated. The prevalence of training as a key lever for changes is borne out in the practice of TQM. The role of reward systems, as an additional means of achieving change is dismissed by the TQM authorities, who rely on the well documented problems of linking pay to performance stance.

## 2. Review of literature

**Samson Kauame (2017)** has taken initiative to investigate the effect of total quality management factors on firm's operational performance. They used regression linear analysis to conduct this research study. The samples used to conduct this analysis were selected from World Bank's Business Environment and Enterprise Performance Survey data. A total of 437 samples were selected from this business environment. This study has shown that few selected TQM factors were related to performance. The results revealed that the primary obstacles were based on some hypothetical assessment in the survey questionnaire. However, it is recommended that firms should continue implementing TQM with all variables to improve performance.

**Shafiq, Lasrado, and Hafeez (2017)**, this study contributes in the important debate in the operations management literature related to convergence versus divergence argument in TQM implementation. Therefore, this study provides empirical evidence from a developing country. Data were collected from the member

companies of All Textile Mills Association by using a questionnaire. The questionnaires were sent to 210 textile companies and the respondents were quality or production managers. Structural equation modeling was used to investigate the effect of TQM practices on organizational performance. The findings of this study indicate that TQM has a highly positive effect on organizational performance. These findings support the divergence argument, which indicates that the positive effect of TQM on organizational performance is not limited only to companies.

**Lee, Park, and Baker (2017)**, it focuses on the relationships among human resource development (HRD) efforts, top management support, and employees' attitudes in the context. Based on the Human Capital Corporate Panel survey data, 3,899 responses from 159 large companies were analyzed by adopting hierarchical multiple regression analysis and a regression-based path analysis. The results indicated that HRD efforts positively affected organizational commitment through job satisfaction. In addition, job satisfaction had a moderated mediation effect on the interaction of HRD efforts and top management support on organization commitment. Finally, top management support moderates the relationship between HRD efforts and employees' attitudes such that increased top management support for HRD efforts improves employees' job satisfaction and organizational commitment.

**Juliana and Yusof (2017)** have conducted a research to ascertain the quality approached deployed in garment manufacturing industry in three key areas namely

quality systems and tools, quality control and types of control as well as sampling procedures chosen for garment inspection. The results revealed that almost all companies have established their own mechanism of process control by conducting a series of quality inspections for daily production. In addition, quality inspection has been the predominant quality control activity in the garment manufacturing, while the level of complexity of these activities was substantially dictated by the customers. Moreover, AQL-based sampling was utilized by companies dealing with exports, whilst almost all the companies that only concentrated on the domestic market were comfortable using their own sampling procedures for garment inspection. Hence, this research has provided insights into the implementation of a number of quality approaches that were perceived as important and useful in the garment manufacturing sector, which is truly labor-intensive.

**Beloor, Nanjundeswaraswamy, and Swamy (2017)**, in this study, they identified that employee commitment has three components they are Affective, Normative, Continuance commitment and QWL is a multidimensional construct it includes job satisfaction, adequate pay, work environment, organizational culture, etc, these factors affect on the employee performance, productivity, absenteeism, retention rate, etc. These QWL components may affect on the commitment of employees towards the organization, it may also enhance retention rate.

**Chowdhury, Paul, and Das (2018)**, in this study, the researcher identified the list of critical factors namely top management commitment, supplier quality management, continuous improvement, product innovation, benchmarking, employee involvement, reward and

recognition, education and training, customer focus and product quality. To measure each factor, a number of indicators are also identified. The reliability and validity of all the factors were tested and validated using data from 45 garment manufacturing companies. Various statistical methods were employed for this test and validation. To identify the impact of top management commitment on the nine TQM factors, a paired sample test between high-top and low-top management firms was conducted. Besides that, step wise regression analysis was done to find the significant predictors of product quality construct for high-top and low-top management firms. From the analysis, the findings emerge firstly, firms with high top management commitment implement the other nine TQM factors more rigorously than those with low top management commitment firms. Secondly, in high-top management firm two TQM factors namely employee involvement and product innovation are the primary predictors of the product quality. Finally, in firms with low-top management firm two of the eight TQM factors namely customer focus, and employee involvement are the primary predictors of the product quality.

### 3. Objectives of the study

To study the employee's perceived fairness of profit sharing and perceived ability to contribute the profitability of the organization were associated with continuous improvement orientation

### 4. Scope of the study

The study aimed an individual to develop a collectivist orientation and to engage in

behavior for the benefit of group and continuous improvement orientation emphasizing a proactive approach to preventing problems and a search for better ways of doing things. The extent to which continuous improvement has been realized in an organization would be evident in the perceived in activities responsibility for quality and participation in activities aimed at improving quality at the individual level of analysis. The focus of rewards determines the climate for the sustainability of change. Profit sharing can contribute to the achievement of TQM goals through its reinforcement effect or by enhancing the perceived fairness of the outcomes has instant appeal.

## 5. Methodology

The research design used in this study is descriptive research design. The sample design used in this study is simple random sampling for collecting the data from the respondents. The sample size of the study is determined by the G power analysis Gpower 3. The sample size is determined based on the specific power, alpha level and effect size (medium = 0.5) in the G power analysis. The sample size is determined as 110. The primary data were collected with the help of a questionnaire consisting of 8 attributes (attitude towards continuous improvement, top management support, supervisory reinforcement, organizational commitment, participation in TQM intervention, perceived benefits of TQM intervention, fairness of profit sharing plan, perceived ability to contribute). The measurement scale for changing employees attitude: the independent effect of TQM and profit sharing **Mohammed, Quader, and Ahmed (2014)** and for attributes, organizational commitment **Beloor, Nanjundeshwaraswamy, and**

**Swamy (2017)**, top management support **Lee, Park, and Baker (2017)**, TQM interventions **Samson Kauame (2017)**, participation in TQM interventions **Daniel, Prajogo, and Cooper (2017)** scales were used in this study.

## 6. Hypothesis

**HO (1):** There is no significant mean difference between the educational qualification of the respondents and 1. Continuous improvement orientation 2. Top management support 3. Supervisory reinforcement 4. Organizational commitment 5. Participation in TQM interventions 6. Perceived benefits of TQM interventions 7. Fairness of profit sharing plan 8. Perceived ability to contribute.

**HO (2):** There is no significant difference between the Gender of the respondent and 1. Continuous improvement orientation 2. Top management support 3. Supervisory reinforcement 4. Organizational commitment 5. Participation in TQM interventions 6. Perceived benefits of TQM interventions 7. Fairness of profit sharing plan 8. Perceived ability to contribute

**HO (3):** There is homogeneity across the different level of 1) Continuous improvement orientation 2) Top management support 3) Supervisory reinforcement 4) Organizational commitment 5) Participation in TQM intervention 6) Perceived benefits of TQM intervention 7) Fairness of profit sharing plan 8) Perceived ability to contribute.

## 7. Analysis and results

### 7.1 Demographic variable

Hundred and ten respondents participated in this study. Out of 110, 32.7% belonged to

male category and 67.3% to the female category. The educational level of the participants is as follows: 32.7% were below UG, 47.3% were under graduates and 20.0% were post graduates. The age of the participants is as follows: 70.9% belongs to 21-30 years, 23.6% belongs to 31-40 years, 4.5% belongs to 41-50 years and 0.9% belongs above 50 years' category.

## 7.2 Comparison of mean – t-test

Perspective of the study construct was assessed by male and female respondents and also the educational qualification among the respondents, to study whether both these groups had similar perceptions the *t*-test was carried out to test the difference in the subscale of attitude towards TQM intervention and profit sharing.

**HO (1):** There is no significant mean difference between the educational qualification of the respondents and

1. Continuous improvement orientation
2. Top management support
3. Supervisory reinforcement
4. Organizational commitment
5. Participation in TQM interventions
6. Perceived benefits of TQM interventions
7. Fairness of profit sharing plan
8. Perceived ability to contribute.

### Inference

The significance values (2-tailed value/*p* value) of the study constructs changing employees attitude the independent effects of TQM and profit sharing, Top management support, supervisory reinforcement, participation in TQM interventions, fairness of profit sharing, perceived ability to contribute, overall educational qualification and overall job satisfaction seems to be greater than 0.05 as seen in Table 1. This

**TABLE 1.** *T*-test comparison of significant mean difference between the educational qualification and study constructs

S. NO	Constructs	F	Sig	t	df	Sig (2-tailed)	Inference
1	Continuous improvement orientation.	2.015	0.159	2.249	102	0.027	<b>Ho Rejected</b>
				2.536	54.203	0.014	
2	Top management Support.	0.045	0.832	0.780	102	0.437	<b>Ho Accepted</b>
				0.800	44.754	0.428	
3	Supervisory reinforcement.	1.936	0.167	-0.431	102	0.668	<b>Ho Accepted</b>
				-0.519	63.290	0.605	
4	Organizational commitment.	0.515	0.475	-2.218	102	0.029	<b>Ho Rejected</b>
				-2.370	48.462	0.022	
5	Participation TQM interventions.	0.135	0.714	0.620	102	0.537	<b>Ho Accepted</b>
				0.588	39.419	0.560	
6	Perceived benefits of TQM interventions.	.852	0.358	-2.240	102	0.027	<b>Ho Rejected</b>
				-2.408	49.036	0.020	
7	Fairness of profit sharing plan.	0.182	0.670	-0.494	102	0.623	<b>Ho Accepted</b>
				-0.489	42.149	0.628	
8	Perceived ability to contribute.	0.002	0.966	1.331	102	0.186	<b>Ho Accepted</b>
				1.321	42.361	0.193	

proves the HO null hypothesis and reject the alternate hypothesis stating that there is no significant difference between the educational qualification and study constructs, top management support, supervisory reinforcement, participation in TQM interventions, fairness of profit sharing and perceived ability to contribute. The significant value for the attributes continuous improvement orientation, organizational commitment and perceived benefits of TQM interventions, over all educational qualification and job satisfaction seems to be less than 0.05 as seen in Table 2.3, this proves H1 alternate hypothesis and reject the null hypothesis HO stating that there is a significant difference between the educational qualification and study constructs, continuous improvement orientation, organizational commitment and perceived benefits of TQM.

**HO(2):** There is no significant difference between the Gender of the respondent and

1. Continuous improvement orientation
2. Top management support
3. Supervisory reinforcement
4. Organizational commitment
5. Participation in TQM interventions
6. Perceived benefits of TQM interventions
7. Fairness of profit sharing plan
8. Perceived ability to contribute.

## Inference

The significance values (2-tailed value/ $p$  value) of the study constructs changing employees attitude the independent effects of TQM and profit sharing, continuous improvement orientation, Top management support, supervisory reinforcement, organizational commitment, participation in TQM interventions, fairness of profit sharing, perceived ability to contribute, over Gender and overall job satisfaction seems to be greater than 0.05 as seen in

Table 2.3. This proves the HO null hypothesis and reject the alternate hypothesis stating that there is no significant difference between the Gender and study constructs, continuous improvement orientation, top management support, supervisory reinforcement, organizational commitment, participation in TQM intervention, fairness of profit sharing and perceived ability to contribute. The significant value for the attributes perceived benefits of TQM interventions, over Gender and job satisfaction seems to be less than 0.05 as seen in Table 2, this proves H1 alternate hypothesis and reject the null hypothesis HO stating that there is a significant difference between Gender and study constructs, perceived benefits of TQM.

## 7.3 Testing of homogeneity – ANOVA

Total quality and profit sharing focus pertaining to department, gender, age and educational qualification were solicited during data collection. To test if the demographic variable had an impact on quality improvement (continuous improvement orientation, top management support, supervisory reinforcement, organizational commitment, participation in TQM intervention, perceived benefit of TQM intervention, fairness of profit sharing plan, perceived ability to contribute) overall employee identity in one-way analysis variance was carried out. The consolidated hypothesis formulated for the same is given below.

**HO(3):** There is homogeneity across the different level of 1) Continuous improvement orientation 2) Top management support 3) Supervisory reinforcement 4) Organizational commitment 5) Participation in TQM intervention 6) Perceived benefits of TQM intervention 7)

**TABLE 2.** T-test comparison of significant mean difference between the gender and the study constructs

S. NO	Constructs	F	Sig	t	df	Sig (2-tailed)	Inference
1	Continuous improvement orientation.	0.866	0.354	-0.862 -0.8870	108 74.903	0.390 0.378	HO Accepted
2	Top management Support.	4.915	0.029	0.241 0.268	108 91.872	0.810 0.789	HO Accepted
3	Supervisory reinforcement.	1.811	0.181	1.910 2.141	108 93.227	0.059 0.035	HO Accepted
4	Organizational commitment.	.001	0.980	1.109 1.099	108 67.802	0.270 0.276	HO Accepted
5	Participation TQM interventions.	.253	0.616	-0.563 -0.549	108 65.236	0.575 0.585	HO Accepted
6	Perceived benefits of TQM interventions.	4.781	0.031	2.396 2.650	108 90.223	0.018 0.010	HO Rejected
7	Fairness of profit sharing plan.	1.013	0.316	0.682 0.693	108 72.242	0.497 0.491	HO Accepted
8	Perceived ability to contribute.	2.934	0.090	-0.923 -0.857	108 57.849	0.358 0.395	HO Accepted

Fairness of profit sharing plan 8) Perceived ability to contribute.

**Inference**

Testing of homogeneity across different level of age group with respect to construct the respondents of this study belongs to four categories with respect to age group of 21–30 years, 31–40 years, 41–50 years and above 51 years. The hypothesis formulated is given below. HO: There is homogeneity across the different level of 1) Continuous improvement orientation 2) Top management support 3) Supervisory reinforcement 4) Organizational commitment 5) Participation in TQM intervention 6) Perceived benefits of TQM intervention 7) Fairness of profit sharing plan 8) Perceived

ability to contribute. The ANOVA result of study constructs across four levels of age group is presented in Table 3. The continuous improvement orientation ( $F = 2.982, p = 0.055$ ), Top management support ( $F = 1.430, p = 0.244$ ), Supervisory reinforcement ( $F = 2.514, p = 0.086$ ), Organizational commitment ( $F = 0.278, p = 0.58$ ), Participation in TQM interventions ( $F = 0.933, p = 0.397$ ), Perceived benefits of TQM interventions ( $F = 2.827, p = 0.064$ ), Fairness of profit sharing plan ( $F = 0.396, p = 0.674$ ), Perceived ability to contribute ( $F = 2.660, p = 0.075$ ) were found to be insignificant as  $p$  values are greater than 0.05 so their null hypothesis is accepted and conclude that there is no homogeneity across different levels of age groups with respect to Continuous

**TABLE 3.** Testing for homogeneity

S. No	Constructs	F	Sig
1	continuous improvement orientation	2.192 <b>HO Accepted</b>	0.055
2	Top management support	1.430 <b>HO Accepted</b>	0.244
3	Supervisory reinforcement	2.514 <b>HO Accepted</b>	0.086
4	Organizational commitment	0.278 <b>HO Accepted</b>	0.758
5	Participation in TQM intervention	0.933 <b>HO Accepted</b>	0.397
6	Perceived benefits of TQM intervention	2.827 <b>HO Accepted</b>	0.064
7	Fairness of profit sharing plan	0.396 <b>HO Accepted</b>	0.674
8	Perceived ability to contribute	2.660 <b>HO Accepted</b>	0.075

improvement orientation, Top management support, Supervisory reinforcement, Organizational commitment, Participation in TQM intervention, Perceived benefits of TQM intervention, Fairness of profit sharing plan, Perceived ability to contribute.

## 8. Conclusion

In this ever-changing and competitive society, it is important for companies to provide a happy working environment for their employees, as happy employees can help to improve productivity which make the company to survive in the market. It is essential that before developing good Quality practices, company should make sure their employees are having positive attitudes toward quality. Overall, the results of this study provide evidence to suggest that quality activity at work, directly and indirectly affects employee identity. Specifically, quality activity at work was positively and directly related to organizational productivity and employee performance.

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