



**THE EFFECT OF TOTAL QUALITY MANAGEMENT (TQM)
PRACTICES ON EMPLOYEES' PERFORMANCE IN THE CASE OF
BERHAN BANK**

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Abstract

Total Quality Management (TQM) is an organization's management method that focuses on quality, based on the participation of all members, and aims to achieve long-term success through customer satisfaction and advantages to all members of the employer and to society. The general objective of this study is to assess the effect of TQM practices on employees' performance. To meet the objective, descriptive and explanatory research designs were employed. Moreover, a purposive sampling technique was used to collect data from both the bank's branch (Addis Ababa Branches and Head office) and the respondents. A mixed of quantitative and qualitative research approaches was employed to accomplish data collection and data analysis. The target population was 1097 employees from Addis Ababa Branches and Head office of the Bank. A sample size of 293 was drawn from the target population and a total of 278 Berhan Bank's employees were involved in the survey. The findings of the study revealed that customer focus is the most dominant TQM practice in the Bank. In addition, the study found out that Top Management Commitment, Employee Involvement, Continuous Improvement and Customer Focus have a significant and positive relationship with employee performance while Employee Education and Training do not significantly predict employee performance. Finally, recommendations were given for improved TQM practices in Berhan Bank.

Key words: *TQM practices, Top Management Commitment, Employee Involvement, Employee Education and Training, Continuous Improvement, Customer Focus, employee performance.*

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Declaration

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and I have not previously in its entirety or in part submitted at any university for a degree.

Name: Hana Berhane

Signature: _____ Date: _____

Certification

This is to certify that this thesis work entitled “*The Effect of Total Quality Management (TQM) Practices on Employees’ Performance in the Case of Berhan bank*” was carried out under my guidance and supervision and has been approved for submission to the Department in partial fulfillment of the requirements for the award of Degree of Masters of science in Management Specialized in Quality Management and Organizational Excellence.

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Abbreviations/ Acronyms

CATS	Customer Accounts Transaction Service
CF	Customer Focus
CI	Continuous Improvement
DV	Dependent Variable
EET	Employee Education and Training
EI	Employee Involvement
EP	Employee Performance
HR	Human Resource
IV	Independent Variable
OLR	Ordinary Logistic Regression
SD	Standard Deviation
SPSS	Statistical Package for the Social Science
TMC	Top Management Commitment
TQM	Total Quality Management

Chapter One

Introduction

1.1 Background of the Study

Digital technologies are causing our world to change at a faster rate than ever before. Markets and business operations are changing for organizations (Aimie, et al., 2016). Customers are demanding higher quality service as global competition becomes more intense. Quality performance has always been a critical strategic aspect for corporate success, but in the twenty-first century's global markets, it is now more than ever necessary (Oakland, 2014). In light of changing conditions, organizations must reconsider their strategic positions in each of their service areas, particularly in regard to the growing demand for services and the limited resources available for these services. The supply of services must evolve as social, economic, and political conditions change (Colin & Stephen, 1999).

Total Quality Management (TQM) assumes that quality is the result of all actions within a company, and that all functions and employees must be involved in the improvement process. Employees must be in touch with the organization's procedures. If companies give employees new tasks, team roles, and a process-driven environment, a new situation will emerge, forcing people to pay attention to and work on the procedures. As a result, they will be dedicated to their job. Commitment is a critical component of support for the high levels of collaboration, initiative, and effort required to comprehend and improve the processes in most businesses (Oakland, 2014, p. 410).

Organizational efficiency depends on the employee performance (Gruman & Saks, 2011). In organizations, the launching of TQM has to be with a full understanding of its implications on employees' performance. According to Collin & Stephen (1999), For Total Quality Management (TQM) to be implemented, quality must be understood and converted into commitment, policies, strategies, and actions. Some employees may embrace change and development as a key feature of organization life, others resist and reject change and others does not express a view but by their behavior and action they can be seen uncommitted. TQM will have its own effect on the performance of all these employees.

Industries in many sectors have already revolutionized the way services are rendered. Total quality management techniques implementation is one of the important concerns that can help firms align to stay competitive in a competitive market space (Aimie, et al., 2016, p. 2). The implementation of TQM could be in terms of Top management commitment and leadership, employee involvement and empowerment, employee education & training, customer focus, continuous improvement; and quality measurement, process management, teamwork and some others (Al-Marri, Ahmed, and Zairi ,2007; Tsang and Antony,2001 as cited in Kumar & Mishra, 2020). Banks and other financial institutions are also of the big sector that are working on expanding their services by implementing various TQM practices that enhances better convenience and quality service experience to employees &customers.

In Ethiopia, banks are building technology and quality human resource base to further strengthen their competitiveness in digital financial services to support customers with innovative solutions that surpass their expectations through promoting convenience. Accordingly, this study aimed to assess the TQM practices and to investigate the effect of TQM practices on employees'

performance in Berhan bank. Moreover, head office and Addis Ababa branches were selected for this study due to the ease of access to the researcher.

1.2 Background of the Organization

Berhan bank S.C was formed in accordance with Article 304 of the commercial code of Ethiopia with the objective of operating in the banking industry. After fulfilling all the business and legal requirements set to establish a banking business, the bank was registered and licensed by the National Bank Of Ethiopia on 27th June, 2009 with an authorized capital of Birr 300 million and paid up capital of Birr 95.7 million divided into shares of 1000 Birr par value each (Berhan Bank, <https://berhanbanksc.com>, 2021). Berhan Bank has evolved through several stages with strengthening internal organization, attracting customers for the local deposits, export business and recruiting borrowers with clean track records. In the 2013/14-2015/16 fiscal year a new strategic plan was developed to ensure fast growth and forward stretch which was characterized by aggressive expansion of branch network, customer base development and development of new business. During this period the bank achieved a remarkable record and become one of the premier eye-catching members of the banking industry. The bank also continued its development in the phase of 2016/17-2018/19 by achieving a relative degree of maturity in banking business and implemented a number of strategic tasks that helped its market competitiveness in the third strategic period commencing in 2020/21 (Berhan Bank, 10th Anniversary Special Magazine, (2019,November)).

At the end of June 30th 2021, Berhan Bank's paid up capital reached Birr 2.9 billion, a profit before tax of Birr 860 million with 256 branches across the regions of Ethiopia and a total of 4872 permanent employees.

With a vision to be radiant and trustworthy bank in excellence, its objectives are, providing high quality customer service; promoting innovation, excellence and progress; developing public confidence and trust; making practical to utmost respect to customers; delivering service with integrity and loyalty and using professionalism and team spirit

1.3 Statement of the Problem

One of the key challenges facing businesses in the twenty-first century is how to properly engage people and improve their work performance so that they are dedicated to the firm (Pradhan & Jena, 2016). Employees that go above and beyond their regular obligations and provide exceptional results are critical to a company's success. In today's dynamic workplace, organizations require employees who will engage in "good citizenship" behaviors such as making constructive statements about their work group and the organization, assisting others on their team, volunteering for extra job activities, avoiding unnecessary conflicts, caring for organizational property, and respecting both the spirit and the letter of rules and regulations (Kinicki, Cole, Digby, Koziol, & Kreitner, 2010, p. 18). Managers in all types of organizations face the same main challenge: how to get the most out of their staff (Kirkpatrick, 2006, p. 5). Working environment, opportunities for growth, workload, stress level, relationships with coworkers, relationships with supervisors, and financial benefits are all elements that influence employee performance (Goetsch & Davis, 2016).

Employees who know and comprehend the nature of the business, shareholders, target market, and consumers' desires and needs can establish alignment and cohesiveness in their work (VanDevender, 2021). Simply telling employees to get on with doing a decent job is no longer an acceptable option in today's firms. Organizations must create an effective performance

management system since employees' performance is influenced by a variety of factors (Shields, 2007, p. 23). “Treating people as valuable resources strengthens their commitment to the company, inspires them and makes them proud of their jobs, improves their work-related performance, lowers absenteeism, and lowers the likelihood of their quitting” (Sadikoglu & Olcay, 2014, p. 12).

Total quality management (TQM) seeks for continuous improvement, customer focus, employee and top management dedication, with the goal of protecting the interests of customers, employees, shareholders, competitors, and even society at large (Shaukat & Hua , 2005, p. 193). Organizations are using TQM methods as a result of increased competition and a rise in client demand change. Competitiveness drives the demand for quality, and total quality is a business approach that aims to improve an organization's competitiveness by continuously improving the quality of its products, services, people, processes, and environments. As a result, quality improvement, employee performance, and interpersonal ties among employees, as well as between employees and supervisors, are more vital than ever (Goetsch & Davis, 2016).

The bank industry is one of the organizations facing an intense competition in delivering its service. Its employees’ performance is challenged by many factors. Even if the bank industry is characterized by identical service delivery, the implementation of TQM may have different effect on the performance of employees. Different employees with different background, cultures and experience may accept the implementation of TQM or resist. These differences may lead members to less effective teams, conflicts and reduce cooperation. Therefore, organizations need to focus on every dimension that affects workers performance to be more competitive in their environment.

Employees' performance depends on various factors. TQM variables can be mentioned as one factor. These variables include customer focus, long-term commitment, teamwork, continual process improvement, bottom-up education and training, freedom through control, unity of purpose, employee involvement and empowerment and others (Goetsch & Davis, 2016, p. 4).

Through reviewing previous studies, this study investigated on the fewer practices of TQM; employee involvement, top management commitment, continuous improvement, employee education & training and customer focus and their effect on employees' performance. Previous researchers have investigated the effect of TQM variables on employees' performance but not all the studied variables have a significant impact. Al-Saffar and Obeidat (2020) identified customer focus, continuous improvement, process management, employee participation, leadership and good vision and their influence on employees' performance & revealed that, while continuous improvement, process management & employee participation have significant effect; the effect did not appear at all for leadership and customer focus. And also Sadikoglu and Olcay (2014) revealed process management, leadership and customer focus have non-significant effect on performance while training and strategic quality planning have a significant effect. These mixed findings indicate that there is no clear conclusion on the relationship between TQM practices and employee performance and a further research to study their relationship through the different components of TQM needs to be done. In addition an effort was made by the researcher if there are prior empirical studies to prove or disprove this perception of practices, however, to the knowledge of the researcher, there are limited empirical studies done on the area of TQM practices and related topics in Ethiopian context.

Therefore by investigating the dominant variables of TQM, level of employee performance and their relationships with each other, this study intended to fill the above gaps and put its own

contribution by providing empirical evidence through studying the effect of TQM practices on employees' performance in Berhan Bank.

1.4 Research Questions

1. Does top management commitment have a positive significant impact on employees' performance?
2. Does employee involvement have a positive significant impact on employees' performance?
3. Does continuous improvement have a positive significant impact on employees' performance?
4. Do employee education & training have a positive significant impact on employees' performance?
5. Does customer focus have a positive significant impact on employees' performance?

1.5 Objectives of the Study

1.5.1 General Objective

The purpose of this study is to assess the effect of TQM variables on employees' performance in Berhan Bank on selected Addis Ababa branches.

1.5.2 Specific Objectives

- To examine the effect of top management commitment on employees' performance.
- To investigate the effect of employee involvement on employees' performance.
- To investigate the effect of continuous improvement on employees' performance.
- To determine the influence of employee education & training on employees' performance.
- To examine the effect of customer focus on employees' performance.

1.6 Scope of the Study

The study was limited on Berhan Bank. Out of the many city and outline branches; due to location reason only Head office and Addis Ababa city branches was selected as a sample to provide valuable and relevant information. The study limits itself to the following variables; -top management commitment, employee involvement, continuous improvement, Employee Education and Training, customer focus and employee performance, measured in terms of task performance, adaptive and contextual performance.

1.7 Significance of the study

Implementing successful TQM practices in an appropriate way provides several benefits for organizations in different contexts such as: improved quality, increased productivity, more efficient and effective use of resources, eliminated defects, reduced scrap and rework, reduced wage and costs of poor quality, fewer complaints, improved employee involvement and commitment, employee motivation and morale, improved communication, increased customer satisfaction and retention, and improved competitive advantage (Suresh & Ganesan, 2020). The significance of the study is that it will:

1. Contribute to existing studies by analyzing the reason behind the results of the relationship between TQM practices and employee performance.
2. Generate greater awareness among financial institutions on the effect of having a proper and practical TQM practices on employees' performance.
3. Specifically assist managers and supervisors in Berhan Bank in dealing with TQM practices and the top management that they can use the findings of this study to improve employees' performance.

1.8 Limitations of the study

The major limitation of the study was limited access to data from Berhan Bank especially KPI of the employees. The researcher could not analyze the survey responses on employees' perceived performance against their actual performance indicators. As a result the analysis relied on the respondent's ratings as a measure of the dependent variable. It was not also easy to get all the division managers to fill the questionnaires and to make an interview therefore most of the respondents were the departmental managers. Time was not also enough to collect all responses because some respondents had a lot of pressure at work to return back the questionnaires on time.

1.9 Organization of the Study

The study contains five chapters. The first chapter deals with the introduction of the study that included background of the study, statement of the problem, research questions, research objectives, scope and significance of the study. The second chapter presents review of literature that comprised of the theoretical and empirical literature, the conceptual framework and the research hypothesis. The third chapter presents the methodology of the study that included the research design and approach, data collection method, sampling method, variables of the study, data processing and analysis, reliability and validity and ethical consideration. The fourth chapter includes the detail presentation of the findings, discussion and summary. Finally, the fifth chapter presents the conclusion and recommendations.

Chapter Two

Literature Review

This chapter consists of a summary of relevant literature review that assisted as a theoretical framework for the study. It covered various studies that have been done concerning TQM practices. From the wide range of literature on TQM practices and its effect on employees' performance, this study presented the selected readings. This section also provides the empirical review and conceptual framework of the study based on the theoretical and empirical literatures.

2.1 Theoretical Review

This section provides an understanding of the knowledge of TQM, its variables and employee performance that leads to the formulation of the conceptual framework for the study.

2.1.1 Quality Concepts

Quality has been defined in a number of different ways by a number of different scholars and organizations.

Quality has been described as a measure of worth (Feigenbaum, 1983); Adherence to the rules, criteria or requirements showing that the product could be exceptional or defect-free, but it must also suit consumer needs (Crosby, 1979); suitability for use (Juran, 1989); excellence in quality (Peters & Waterman, 1982); ensuring both internal and external customer requirements are met or exceeded (Parasuraman, Zeithaml, & Berry, 1990) and delighting the customer (Peters T. , 1989). 'Delight' refers to being the best at what matters most to customers, which develops over time, and responding to these changes by consistently gratifying the client (Kanji & Asher, 1996).

According to Goetsch & Davis (2016), “Quality refers to a state in which products, services, people, processes, and environments meet or exceed expectations.” (p.2)

Quality is a broad notion that encompasses two distinct ideas of quality: consistency and suitability for a certain purpose. Within the framework of quality culture, the two notions above are combined to create quality as perfection (Dahlgaard, Kristensen, & Kanji, 2007, p. 14).

2.1.3 Historical Evolution of Total Quality Management

Dahlgaard et al. (2007) mentioned that Total Quality Management has taken place in four stages. When the Ford Motor Company's 'T' Model car went off the assembly line in 1910, it signified the first step of quality. It was known as quality inspection, and it required teams of inspectors to compare or test the product against the project standard at all stages of the manufacturing process and delivery. Poor-quality products were segregated from acceptable-quality products and scrapped, reworked, or sold as lower-quality products.

Quality became a more difficult issue as production became more complicated and developed. Quality engineering was born in the 1920s, and reliability engineering was born in the 1950s, as a result of this circumstance. This was the second stage, known as quality control, in which statistical methods for quality control were introduced, eventually leading to the concepts of control charts and statistical process control, which are today core components of the overall quality approach.

Then quality control gave birth to quality assurance. In order to transit from quality control to the quality assurance era of Total Quality Management, comprehensive quality manuals, the application of cost of quality, the development of process control, and the auditing of quality systems are produced at this stage.

In the final stage, emphasis was mainly on continuous improvement of products, processes, and people in order to prevent issues before they arise. This was the beginning of Total Quality Management. It emphasizes the importance of applying quality management concepts at every level, stage, and department of a business. Dr. Edward Deming, Dr. Joseph Juran, and Philip Crosby have all made substantial contributions to TQM's continued development.

2.1.4 Total Quality Management Concepts

Total Quality Management (TQM) is a collection of linked concepts and working methods that have evolved over time from many authors and cultural perspectives with the goal of improving product and service quality inside and between businesses (Colin & Stephen, 1999).

“TQM is an organization's way of life dedicated to customer satisfaction through continual improvement. This style of life differs from one organization to the next and from one country to the next, but there are several key concepts that may be applied to improve market share, profits, and cut costs” (Kanji G. K., 1990, p. 14). According to Dahlgaard, Kristensen, & Kanji (2007), TQM is a company culture characterized by greater customer satisfaction via continuous improvement and active participation by all employees in the firm (p.16). It is the result of all operations in an organization, and it requires participation from all functions and people in the improvement process. Everyone in the organization must be involved in TQM. Every step or task process should be viewed as a chance to eliminate error or waste, and everyone should take responsibility for and participate in this effort (Colin & Stephen, 1999).

In this study, TQM is taken as a business technique that aims to improve the quality of an organization's products, services, people, processes, and surroundings in order to increase its competitiveness (Goetsch & Davis, 2016). It is the process of continuously improving

administrative and productive processes by reviewing and analyzing the results obtained and looking for other means and methods to improve performance by reducing the time and effort required to complete production processes by eliminating all unnecessary functions for consumers and the productive process to reach the required level of total quality (Angur , Natarajan, & Jahera, 2009). Therefore, all work is a process in total quality management, and the problem-solving process is a constant cycle of opening one's mind to a wide variety of possible answers and then deciding on the best practical choice. The TQM process is particularly effective because of its continual approach and limiting of possibilities (Kanji & Asher, 1996).

2.1.5 Total Quality Management Practices

Total quality management can be done by putting appropriate TQM procedures into effect. However, one of the most important jobs of senior management is to choose the proper way, and their level of success will be determined by their expertise and comprehension of these methods. If TQM procedures aren't implemented correctly, they're unlikely to be effective. The quality team will have a far better probability of completing the assignment effectively if TQM methodologies are correctly applied and no steps are skipped before completion. The primary purpose of TOM approaches in quality improvement problem-solving is to assist in meeting customer expectations (Kanji & Asher, 1996).

Several researchers mentioned the different elements of TQM. Some of them can be mentioned as: Top management commitment and leadership; TQM philosophy adoption; Customer involvement; Supplier involvement; Open and flexible structure; Employee education and training; Empowerment; Benchmarking; Process improvements; Zero-defects mentality; strategic quality planning; employee management and involvement; supplier management;

customer focus; process management; continuous improvement; information and analysis; and knowledge and education; top-management support; strategy; recognition and reward; problem analysis; quality technologies; service design; services capes; service culture; social responsibility; human resource management; quality department; and quality systems (Carmona-Márquez, Leal-Millan, Vázquez-Sánchez, Leal-Rodríguez, & Eldridge, 2016; Al-Marri, Ahmed, and Zairi ,2007 as cited in Kumar & Mishra, 2020).This study focused on some of the mentioned TQM dimensions.

2.1.5.1 Top Management Commitment

Top management should lead, inspire, and improve activities relating to quality management. Improving quality starts from leadership, dedication, and active participation on the part of top management, as well as an understanding of customer expectations. Total quality is not a particular stage or some stable position; it is a way of doing business that has its main preconditions, continuous improvement and flexible adaptation. Appropriate management of quality is a key challenge for a company to improve its performance. The need for top management is to take on a leadership role in the process of TQM (Dahlgard, Kristensen, & Kanji, 2007).

According to Oakland (2014), “senior management commitment should be an obsession, not lip service.” (p.34). Leaders in a TQM system must view the firm as a system; support employee development; establish a multipoint communication among the employees, managers, and customers; and use information efficiently and effectively (Sadikoglu & Olcay, 2014, p. 4). If the top brass is committed to encouraging the workforce, the latter will accept the challenge for the quality of their output, which will promote long-term progress. The requirement for senior

leadership as the key torchbearer of TQM initiatives is consistently emphasized in the TQM initiative scheme. However, top leadership commitment is insufficient in itself. It is much more critical for leadership to actively participate in a variety of quality management efforts. It must also strongly promote worker participation in quality management programs (Addo & Ackah, 2017).

2.1.5.2 Employee Involvement

Employee involvement is encompassing people in decisions made related to their work and in the creative thought processes that precede decision making (Goetsch & Davis, 2016). According to Kanji & Asher (1996), managers should create the environment where people are willing to take responsibility for the quality of their own work. The more employees feel involved, the greater will be their commitment to quality improvement. Their role is extremely important in the continuous improvement of quality within an organization. Goetsch & Davis (2016) suggested that ownership creates a sense of firmness to continually improve processes, products, and services and to strive for customer delight (p. 119). Ankita & Madhvi (2020) also discussed employee involvement as the extent to which the involvements of employees at various stages are encouraged and the importance of their contribution and the role in the organization is understood. Employee involvement is beneficial to organizational performance because it allows employees to have a better grasp of how things work in the workplace. Workers' input is especially crucial when creating procedures since they have in-depth knowledge of the processes and the context in which they occur. When employees feel like they're part of the process and have a say in it, they're more likely to adhere to it. Involvement is also likely to improve the quality of the procedures, reducing the likelihood of higher compliance (Njeru & Omondi, 2016).

2.1.5.3 Continuous Improvement

According to Goetsch & Davis (2016), Success in the global marketplace necessitates continuous development. Customers' wants aren't static; they alter on a regular basis. A unique product feature that is considered novel now will become ordinary tomorrow (p. 357).

Continuous improvement is a systematic attempt to find and implement new ways of working aggressively and repeatedly in order to enhance processes (Anand, Ward, Tatikonda, & Schilling, 2009). Rakesh & Mishra (2020) argue that an organization must always continue to renovate its processes. Improvement is a continuous process and there is never an end to it. (p.7)

Developments cannot be achieved without specific opportunities, commonly called problems, being identified or recognized. A focus on development opportunities leads to the creation of teams whose attachment is determined by their work on and detailed understanding of the process, and their ability to take improvement action. The teams must then be provided with good guidance and the right tools to tackle the job (Oakland, 2014, p. 271). Kanji & Asher (1996), suggested that continuous improvement, rather than a dramatic breakthrough, should be the goal of everyone who wants to embark on the journey of overall quality management. A corporation can continue to uncover areas where improvements can be made by regularly monitoring consumer requirements. This never-ending stream of opportunities can be leveraged to keep quality improvement programs current and support the notion that the overall quality journey is never-ending. By boosting customer satisfaction and employee competencies and skills, continuous improvement adjusts the direction of work for greater performance in the short term, as well as to retain gains and increase long-term returns. It can help staff enhance their

performance and reach the maximum degree of customer satisfaction by making major improvements in their processes (Al-Saffar & Obeidat, 2020).

2.1.5.4 Employee Education and Training

Training is an organized and systematized series of activities designed to enhance an individual's work-related knowledge, skills, and understanding or motivation (Goetsch & Davis, 2016, p. 194).

Workplace training and development is increasingly being acknowledged as a vital component of successful and rewarding management. Training was found to be carefully and sensibly planned in most successful businesses via training needs analysis methods that linked the training needs of the company, groups, departments, divisions, and individuals (Oakland, 2014, p. 340). Employees will benefit from training and education because it will help them perform better in their employment, broaden their knowledge base, raise their working abilities and experiences, reduce errors, improve their knowledge and work skills, improve teamwork, and reduce turnover (Kaynak and Hartley, 2008 as cited in Zahari & Norhayati , 2016). Employees will be able to increase the abilities and information that they need to improve through the training program (Zahari & Zakuan, 2016). Organizations will not only increase their abilities, but also their self-esteem and pride, through education and training. Employees get the idea that their bosses care about them as individuals. (Bateman, 2002 as cited in Zahari & Norhayati , 2016).

The importance of education and training in whole quality management cannot be overstated. Without sufficient training, teams would lose their path and grow discouraged when tackling quality management issues. If the quality problem is not accurately diagnosed and the TQM

method for remedy is chosen solely on the basis of data analysis, the problem will not be solved permanently (Kanji & Asher, 1996).

Simulators, business games, case studies, coaching and mentoring, planned experience, and computer assisted instruction could all be used as training strategies. Employees will benefit from training and education since it will help them perform better in their employment and broaden their knowledge base (Zahari & Zakuan, 2016, p. 2). As a result, training is seen as a beneficial HR practice in enabling employees to strengthen their self-efficacy and commitment to continual improvement (Jurburg et al., 2017 as cited in Marcel, 2021).

2.1.5.5 Customer Focus

External clients are the emphasis of TQM companies. They should first learn about the clients' expectations and needs, and then provide products and services that meet those needs. This promotes businesses to deliver high-quality, dependable products/services on schedule, while also increasing their efficiency and productivity (Sadikoglu & Olcay, 2014, p. 5). Every corporate institution, particularly banks, must establish reliable client-related information about clients' expectations and wants, as well as ongoing monitoring of their satisfaction levels. Because banks are completely influenced by their customers and strive to meet their needs through innovative and high-quality outputs, a customer-centered TQM approach is essential to help banks achieve better success (Naeem et al., 2008 as cited in Addo & Ackah, 2017). Employees and customers must be able to communicate effectively in order to improve customer satisfaction. The organization must meet the needs of its customers and conduct customer feedback analysis in order to assess the quality of its products and services. The value of customer satisfaction must be conveyed to all staff through education and training. They will be

quality-conscious and customer-focused when completing work and will respond quickly to customers if they apply this method (Zahari & Norhayati , 2016). As a result, organizations must work to improve employee efficiency through training, research, and an understanding of customers' needs, as well as the use of special tools to measure customer satisfaction, identify reasons for decline, and rely on customer suggestions and opinions about newly introduced products to increase customer satisfaction and win new customers (Juma, 2007 as cited in Al-Saffar & Obeidat, 2020).

2.1.5.6 Employee Performance

Employees are an integral aspect of a company's processes, and better quality at lower prices can only be achieved with good, committed, and satisfied employees. Before a company pleases its external consumers, it must first remove some of the roadblocks for its internal customers (its employees) and establish the conditions for them to manufacture and deliver high-quality goods and services (Dahlgard, Kristensen, & Kanji, 2007, p. 25).

Employee performance can be defined as the set of capabilities, competencies and experience that are related to the goals of the organization or the organizational unit in which an employee works (Aimie, et al., 2016). Performance is achieving the required results. Employee performance is driven by clear expectations of individual employees, the competence and confidence of employees to perform their work, a happy and safe work environment (quality work relations), job satisfaction & the recognition and rewards given (Earl & Frank , 2005).

According to Pradhan & Jena (2016) an employee performance could be a task performance that contains a collection of behaviors that results from one's technical knowledge (knowledge of specifics in one's area of expertise); an adaptive performance that comes from knowing the

process to perform and executing it according to circumstances which could be expressed as adaptability; and a contextual performance that can be expressed in terms of interpersonal relations, building team spirit, commitment, and interconnectedness with other staffs (p.5).

A task performance embraces job explicit behaviors which include major job responsibilities assigned as a part of job description (Pradhan & Jena, 2016). It is the use of technical knowledge or principles to perform a job and having an ability to handle various duties (Conway, 1999 as cited in Pradhan & Jena, 2016).

Adaptive performance is the ability of employees to derive a certain amount of excellence in their assigned tasks and adapting their attitude and behavior to the varied requirements of their job roles (Huang et al., 2014; Pulakos et al., 2000 as cited in Pradhan & Jena, 2016). It is the ability to perform efficiently in unpredictable work circumstances. It could be new technology renovations, changes in one's core job assignment, reformation of an organization and so forth (Baard, Rench, & Kozlowski, 2014 as cited in Pradhan & Jena, 2016).

Contextual performance is behaviors expected from an employee but that are not explicitly mentioned in one's job description (Pradhan & Jena, 2016). Volunteering for extra work, assisting others in completing difficult tasks, maintaining enthusiasm at work, cooperating with other staff members in times of need, sharing critical resources and information for organizational development, adhering to prescribed rules and regulations, and supporting organizational decisions for better change are examples of contextual performance (Coleman, & Borman, 2000; Motowidlo & Schmit, 1999 as cited in Pradhan & Jena, 2016). It helps to create a motivating and encouraging workplace culture and climate, which promotes individual efficiency and organizational effectiveness.

2.2 Empirical Review

A study was conducted by Njeru & Omondi (2016) to examine the relationship between Total Quality Management and employee performance in Kenyan public universities. The following variables were investigated; training, Quality management system, employee participation and leadership. The study result indicated that there was a strong positive relationship between the independent variables and the dependent variable. The authors further suggested that successful implementation of total quality management such as empowerment, career development, leadership commitment, and customer focused organization, and factual approach to decision making enables to ensure overall employee performance and organizational success.

Zahari & Norhayati (2016) conducted a study on the effects of Total Quality Management on the employee performance in Malaysian manufacturing industry. The study showed that top management leadership, customer focus, education and training, information analysis, employee empowerment, human resource development and management policies and strategies have a significant positive impact on employees' performance. The researchers further highlighted the significance of the people component in the firm's reputation and performance indicating that employees are significantly vital asset to an organization.

Sadikoglu & Olcay (2014) did a study on the effects of Total Quality Management practices on performance and the reasons of and the barriers to TQM practices in Turkey. The research investigated the effects of leadership, knowledge and process management, training, supplier quality management, customer focus and strategic quality planning on operational performance, inventory management performance, employee performance, innovation performance, social responsibility, customer results and market and financial performance. The results indicated that

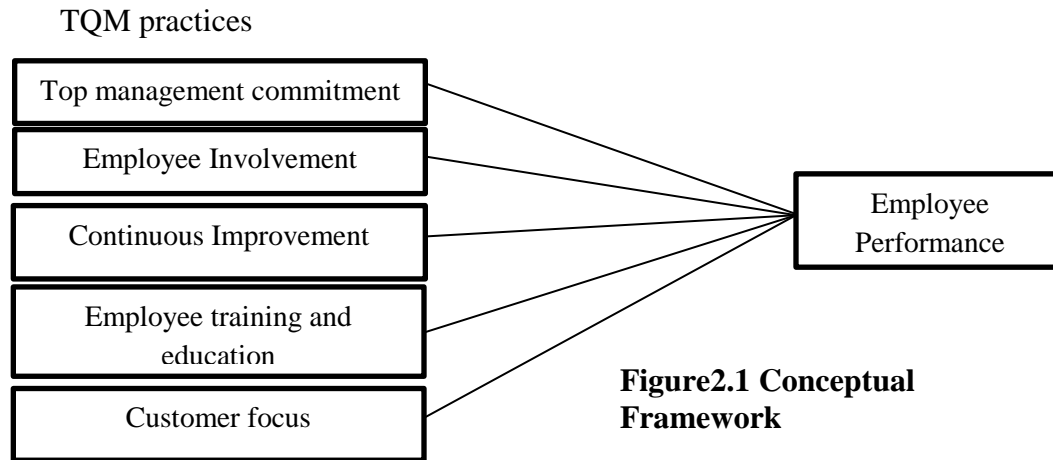
in the case of operational performance, training and customer focus are only TQM factor that directly and positively affects it; in the case of inventory management performance, Knowledge and process management practice is the only TQM factor that directly and positively affects it; in the case of employee performance, training and strategic quality planning are the only variables that affect employee performance; Knowledge and process management is also the only variable that affect innovation performance; it was also found that Knowledge and process management, supplier quality management and strategic quality planning are the variables that have a significant impact on social responsibility; training and customer focus are also the only variables that have significant effect on customer results; and also Knowledge and process management and customer focus are the variables that have significant effect on employee performance. The researchers opined that the positive relationship of training with the mentioned performances indicated that allocation of resources to training on quality pays off with professional employees who in advance know quality concepts, structure and processes of their firm. Furthermore, the results of customer focus revealed that frequent communication with the firm's customers can produce high quality, reliable, and timely delivered products or services. The study also indicated that the insignificant relationship between TQM practices and performance imply the meditational relationship among the variables. The research further revealed the primary obstacles in Turkey's firms; lack of employee involvement, awareness and commitment of the employees, inappropriate firm structure, and lack of the resources. The authors also indicated about the implementation of TQM arguing that acquiring ISO certification for the purpose of advertisement and marketing hinders the proper implementation of TQM in firms.

Al-Saffar & Obeidat (2020) studied the effect of total quality management practices on employee performance with the moderating role of knowledge sharing. The result indicated that Customer Focus, leadership and good vision did not show any impact on employee performance in the absence of knowledge sharing while customer focus, continuous improvement, employee participation, leadership, and process management showed significant impact on employee performance through knowledge sharing. However the authors indicated that this result doesn't negate the importance of TQM practices.

Suresh & Ganesan (2020), did a study on the role of TQM practices in improving employee performance: a case-based approach and developed a model illustrating the effect of TQM practices in manufacturing organizations on employees' performance. The result indicated that there is a positive significant of leadership, employee involvement, customer focus, strategic planning and process management on the employees' performance.

2.3 Conceptual Framework

The conceptual framework was developed based on theories of TQM from literatures which presented the association between TQM practices and employee performance. The literature by Suresh & Ganesan (2020); Al-Saffar & Obeidat (2020) and Njeru & Omondi (2016) provided an important framework in terms of the variables used for this study.



Source: Compiled from Literature

2.4 Research Hypothesis

The research hypotheses are formulated based on empirical analysis of literature review. The study has five hypotheses:

Hypothesis 1: There is a significant positive impact of top management commitment on employee performance.

Hypothesis 2: There is a significant positive impact of employee involvement on employee performance.

Hypothesis 3: There is a significant positive impact of continuous improvement on employee performance.

Hypothesis 4: There is a significant positive impact of employee training and education on employee performance.

Hypothesis 5: There is a significant positive impact of customer focus on employee performance.

Chapter Three

Research Methodology

This chapter presents the research methodology used in the study to answer the research questions. Accordingly, the chapter comprises research approach and design, data collection methods, sample design, target population, sample size, measurements of the study variables, data analysis, reliability and validity of the data and ethical considerations.

3.1 Research Design and Research Approach

A research design is a time based plan for the collection, measurement, and analysis of data in order to obtain answers to research questions (Cooper & Schindler, 2014). This study employed a combination of descriptive study and explanatory study. The reason behind combining the study types is to cover each method's weakness with strength from the other method so that higher level of generalizability and validity can be achieved. In the descriptive, the current TQM practices of Berhan Bank were described according to the perception of the respondents. And also explanatory design was employed in order to show the predictive effect and causal relationship of TQM practices on the performance of Berhan Bank employees based on respondents' perception which facilitates generalizability and hypothesis testing.

The study employed a combination of quantitative as well qualitative study approach based on the availability of data and information. According to Cooper & Schindler (2014), qualitative studies can be combined with quantitative ones to increase the perceived quality of the research and this is called triangulation. The quantitative approach was applied to examine the relationship between employees' performance and the TQM practices (Top Management Commitment

(TMC), Employee Involvement (EI), Continuous Improvement (CI), Employee Education and Training (EET) and Customer Focus (CF)). The findings obtained from the qualitative data were used to supplement the quantitative data. The qualitative method was applied for document review and interview.

3.2 Data Collection Method

Data was obtained from both primary and secondary sources. Primary data was obtained using a survey method that involved a closed-ended structured questionnaire as a tool for data collection. The reason of using questionnaire is to ensure completeness and consistency of information gathered and the result will be used as input for statistical analysis. The research questionnaires were selected by seriously considering the research objectives and research questions. The questionnaire comprises basic characteristics of the respondents, TQM practices and employee performance issues. Regarding basic characteristics; sex, age, education level, job position, income level and years of experience of the respondents were addressed. Concerning TQM practices, there are five TQM variables stated in the study namely; Top Management Commitment (TMC), Employee Involvement (EI), Continuous Improvement (CI), Employee Education and Training (EET) and Customer Focus (CF). The TQM practices questions were adopted from Deressa (2020). Employee performance questions were adopted from Kazan & Gumus (2013) and Suresh & Ganesan (2020). A five point Likert- scale which ranges from strongly disagree to strongly agree was used to rate the perception of the respondents and the respondents were provided with positive statements to measure the variables. Regarding the qualitative information, the current TQM practices, existing polices and procedures of Berhan Bank were gathered from CATS and standardization department director and HR director. Semi-structured interviews were conducted to identify the current TQM practices and the challenges in

implementation at Berhan Bank. Regarding secondary sources of data, an intensive theoretical and empirical literature review of published and unpublished documents from credible sources were made. On the other hand, Berhan Bank's website, newsletters, pamphlets and annual reports were intensively examined.

3.3 Target Population and Method of Sampling

The most important aspect of sampling is that the sample selected is representative of the population. With representative it means that the characteristics of the sample closely match those of the population (Mooi & Sarstedt, 2011). In this study two sampling stages were implemented. The first is to sample out the branches within the Bank; a purposive sampling technique was used to select the branches among the 256 branches of Berhan Bank. Accordingly, Head office and Addis Ababa branches were selected. A purposive sampling is a non-probability sampling method that involves a purposive or deliberate selection of a particular sample of the population to constitute a sample which represents the population (Kothari, 2004). Second, to select the targeted respondents within the selected branches, in this regard the targeted respondents were the key informants; directors, managers, accountants, professional employees and internal controllers. These targeted respondents were appropriate because they have access to information that was relevant to the study and due to their position; they have a better understanding of TQM practices.

3.4 Sample Size

Yamane (1967) provides a simplified formula to calculate sample sizes. Accordingly, the following formula was applied to determine number of respondents at 95% confidence level and 0.05 sampling error.

$$n = \frac{N}{1+N(e^2)}$$

N = the population size proportion (Directors, Managers, Accountants and professional employees)

n= sample size

e = the level of precision (0.05)

Based on the data record obtained from Berhan Bank, the target population for Addis Ababa branches and head office was 1097 employees.

$$n = \frac{1097}{1+1097(0.05^2)} = 293$$

$$\text{Directors and Division Managers: } n = \frac{293 \times 50}{1097} = 13$$

$$\text{Branch Managers and Accountants: } n = \frac{293 \times 272}{1097} = 73$$

$$\text{Professional employees: } n = \frac{293 \times 775}{1097} = 207$$

Table3. 1 Sampling Proportion

Job Positions	Population	Population proportion	Sample size	Percentage
Directors and Division Managers	50	0.05	13	4
Branch Managers and Accountants	272	0.25	73	25
Professional employees	775	0.70	207	71
Total	1097	1	293	100

Accordingly, the sample size for the whole study equals to 13+73+207 which sum up to give 293.

3.5 Operationalization and Measurements of Study Variables

There are five TQM practices considered as independent variables in the study. These are: top management commitment, employee involvement, continuous improvement, employee education and training and customer focus. These variables were used to assess Berhan Bank's TQM practices. The dependent variable was employee performance. Employee performance was measured in terms of task performance (ability to perform major job duties and handling other duties with love); adaptive performance (adapting attitude and behavior to varied requirements of job and new technologies); contextual performance (volunteering for extra work, teamwork and sharing information for the development of the bank).

Respondents rate their responses using a five -point Likert scale for each measurement as follows: 5= 'Agree', 4 = 'Strongly Agree', 3= 'Neutral', 2= 'Disagree' and 1= 'Strongly

Disagree'. The scores given by the respondents were computed as average of the ratings for the statements. In general a total of 74 items were assessed in the study. For the details, see also the Annexed Questionnaire.

3.6 Data Processing and Analysis

The primary data for this study was processed manually and using computer. The total of 278 properly filled questionnaires were cleaned, coded and entered in to statistical software called the Statistical Package for Social Science (SPSS) version 20. An Excel spreadsheet was also used to support SPSS. Tabulations were used to summarize the raw data for further analysis. Regarding the qualitative data, the interview reports and findings from secondary data were first organized and major issues were identified, ordered, categorized and summarized.

The respondents' perceptions were analyzed using descriptive and inferential analyses. The results of descriptive and inferential analyses were brought for analysis and interpretation using SPSS. And also the findings from the qualitative and secondary data analysis were used to supplement the results of the primary data analysis.

3.6.1 Descriptive Analysis

In this study frequency, percentages, mean and standard deviation were used in the presentation, analysis and interpretation of the results. In addition interview answers were analyzed using descriptive narrations. The semi structured interview guided the respondents to limit scopes and to arbitrate in deviating issues during the interview.

3.6.2 Inferential Analysis

The inferential statistical methods applied in this study were Correlations and Ordinal Logistic Regression. According to Kothari (2004), in bivariate population, correlations can be studied through cross tabulation, Charles Spearman's coefficient of correlation, Karl Pearson's coefficient of correlation. In this study Spearman rho correlation test was employed to determine the correlation between the two ordinal variables. For the details, see section 4.3.1 of chapter four.

Additionally, out of the many types of regression analysis, ordinal logistic regression (OLR) was applied in this study in order to answer the research questions (to accept or reject the hypothesis formulated). OLR was employed to investigate whether the IVs (Top Management Commitment, Employee Involvement, Continuous Improvement, Employee Education and Training and Customer Focus) predict the DV (employee performance) or not.

3.6.2.1 Ordinal Logistic Regression

In a research, before proceeding to regression analysis, it should be necessary to choose which type of testing (parametric or non- parametric) to select based on the type of data a researcher have. In the parametric test the population data must be normally distributed and it assume measurement equivalent to at least an interval scale to make statistical inferences about the sample drawn from the population. Z-test, t-test, F-test, analysis of variance, Pearson correlations are some of the parametric tests with the assumption of normality, homoscedasticity, linearity and multicollinearity (Kothari, 2004); (Sullivan & Artino, 2013). According to Joseph, William, Barry, & Rolph (2010), non-parametric test do not make the normality, homoscedasticity and linearity (a linear relationship between the dependent and independent variables) assumptions

and assume only nominal or ordinal data. It does not depend on the shape of the distribution with the parameters of the underlying population. Spearman rho correlations, Kruskal-Wallis, Mann-Whitney U test, chi-square test of independence (Sullivan & Artino, 2013) are some of the non-parametric tests with the assumption of multicollinearity, proportional odds assumption and other assumptions (Joseph, William, Barry, & Rolph, 2010). In this study, the data was not normally distributed and a non- parametric test is used.

Ordinal Logistic Regression (OLR) is the type of regression that is used to predict an ordinal dependent variable given one or more independent variables (Lund & Lund). The assumptions for ordinal regression are:

- The dependent variable should be measured at the ordinal level and one or more of the independent variables should be continuous, ordinal or categorical.
- There is no multicollinearity between the independent variables.
- The proportional odds assumption, which is an important assumption in OLR, should not be violated.

OLR requires model fitting information of p value < 0.05 and Goodness-of- fit test of p value > 0.05. In OLR the Pseudo R-Square corresponding to Nagelkerke determines the total variability of the dependent variable explained by the independent variables and the log odds of coefficients implies, holding other variables in the model constant, a one unit change in the independent variable corresponds to a change in the dependent variable by its respective odds of coefficients (O'Connell, 2006). Accordingly, the OLR model can be represented as follows:

$$\ln \frac{\pi_j(x)}{1 - \pi_j(x)} = \alpha_j + \beta_1 x_1 + \beta_2 x_2 + \beta_p x_p$$

Where, x is the set of predicting variables (IV), π_j is the probability of an outcome, α_j is the intercept of the outcome and β_p is the coefficient estimate.

Accordingly, in this study before proceeding to OLR test, the researcher ensured if the data satisfies the assumptions mentioned above. Significant tests were made with a chi- square test and the coefficients were expressed in two forms: the original and exponentiated and then interpretations were made based on the respective exponentiated coefficients (odd ratios) of each independent variable.

3.7 Validity and Reliability

Validity is the extent by which a measure actually measures what it is supposed to measure (Joseph, William, Barry, & Rolph, 2010). In this study the items of the questionnaires were adopted from previous studies and also a constructive advices and suggestions were given by the research advisor to ensure the validity of the questionnaires. The items to be measured were improved and revised based on the comments given.

Reliability is the degree by which the measurements supply consistent results (Cooper & Schindler, 2014). The internal consistency of the test was determined by Cronbach's alpha because it is the most common form of measurement. A Cronbach's alpha of 0.7 or higher indicates that the items are reliable and the test is internally consistent (Robert, 2006). Accordingly, the Cronbach's alpha test result analysis is presented as follows:

Table3. 2 Reliability Test

No.	TQM Practices	Cronbach's alpha	No. of Items	Comment
1	Top Management Commitment	0.940	13	Reliable
2	Employee Involvement	0.921	14	Reliable
3	Continuous Improvement	0.890	7	Reliable
4	Employee Education and Training	0.929	14	Reliable
5	Customer Focus	0.816	4	Reliable
6	Employee Performance	0.909	16	Reliable

Source: Own Survey, SPSS output, 2021

The results of the reliability test in Table3. 2 show that the data was reliable with high internal consistency.

3.8 Ethical Considerations

Ethics in research design is protecting the rights of the participants. As a result researcher should explain respondents about the study benefits, their rights and protections and the researcher should obtain informed consents (Cooper & Schindler, 2014).

Respondents of Berhan Bank's employees were given guarantee that their names will not be exposed in the research report. The researcher clearly informed the respondents that the purpose of this research is only for academic purpose. The respondents' participation was based on their consents. Therefore the respondents' responses were kept confidentially.

Chapter Four

Result and Discussion

This chapter discusses and analyzes the different findings of the study that include response rate, demographic characteristics of respondents and characteristics of TQM, correlation and regression analysis on the effect of Total Quality Management practices on employees' work Performance in Berhan Bank.

4.1 Response Rate

The response rate deals about the distributed questionnaires and the number of questionnaires returned from different branches. Out of the 293 questionnaires distributed 278 (94.8%) valid questionnaires were recollected.

4.2 Descriptive Analysis

4.2.1 Demographic Characteristics of Respondents

The demographic characteristics illustrate gender, age, educational background, job position, monthly income and years of service of the respondents in the organization. The descriptions are illustrated in the following tables.

Table4. 1 Gender of Respondents

	Gender	Frequency	Valid Percent	Cumulative Percent
Valid	Male	168	60.4	60.4
	Female	110	39.6	100.0
	Total	278	100.0	

Source: Own Survey, SPSS output, 2021

Table4. 1 indicated that out of 278 respondents, 168 (60.4%) are male and the remaining 110 (39.6%) are female which shows majority of the respondents are male.

Table4. 2 Ages of Respondents (in years)

	Age	Frequency	Valid Percent	Cumulative Percent
Valid	20-25	37	13.3	13.3
	26-30	77	27.7	41.0
	31-35	77	27.7	68.7
	36-40	68	24.5	93.2
	>40	19	6.8	100.0
	Total	278	100.0	

Source: Own Survey, SPSS output, 2021

Table4. 2 showed that 37 (13.3%) are in the age ranges of 20-25, 77 (27.7%) of the respondents are in the range of 26-30 again this figure was the same for the age range of 31-35. The remaining 68 (24.5%) and 19 (6.8%) are in the range of 36-40 and >40 respectively. This indicated that majority of the respondents are in the age range of 20-25 and 26-30 which implies that there are somehow young workforce in the Bank.

Table4. 3 Educational Qualification

	Education level	Frequency	Valid Percent	Cumulative Percent
Valid	Diploma	2	.7	.7
	Bachelor Degree	211	75.9	76.6
	Master's Degree	65	23.4	100.0
	Total	278	100.0	

Source: Own Survey, SPSS output, 2021

Regarding the level of education, Table4. 3 indicates that 211 (75.9%) are BA holders, 65(23.4%) of the respondents are MA degree graduates and only 2 respondents are diploma graduates.

Table4. 4 Job Position in the Bank

	Frequency	Valid Percent	Cumulative Percent
Customer service officer	150	54.0	54.0
Loan officer	22	7.9	61.9
Accountant	51	18.3	80.2
Valid Assistant manager	12	4.3	84.5
Branch manager	32	11.5	96.0
Other	11	4.0	100.0
Total	278	100.0	

Source: Own Survey, SPSS output, 2021

Table4. 4 portrays that 150(54%), 22(7.9%), 51(18.3%) of the staffs are in the position of customer service officer, loan officer and accountant respectively while the remaining 12(4.3%), 32(11.5%) and 11(4%) are in the position of assistant manager, branch manager and other managerial positions respectively. This implied that respondents are from different employment categories.

Table4. 5 Monthly Income Level

	Income level(in Birr)	Frequency	Valid Percent	Cumulative Percent
	6500-9500	37	13.3	13.3
	9501-12500	47	16.9	30.2
	12501-15500	58	20.9	51.1
Valid	15501-18500	48	17.3	68.3
	18501-21500	18	6.5	74.8
	>21500	70	25.2	100.0
	Total	278	100.0	

Source: Own Survey, SPSS output, 2021

Table4. 5 shows that 37(13.3%) of the respondents salary are in the range of 6500-9500 birr, 47(16.9%) earn in the range of 9501-12500 birr, 58(20.9%) are in between 12501 and 15500

birr, 48(17.3%) are in the range of 15501-18500 birr, 18(6.5%) earn in the range of 18501-21500 birr and 70(25.2%) of them earn more than 21500 birr. This result indicate that majority of the respondents earn a better monthly income.

Table4. 6 Year of service

	Year of service	Frequency	Valid Percent	Cumulative Percent
Valid	Less than 5 years	139	50.0	50.0
	5-10 years	131	47.1	97.1
	Greater than 10 years	8	2.9	100.0
	Total	278	100.0	

Source: Own Survey, SPSS output, 2021

Regarding the year of service of the employees in the bank, 139(50%) of the respondents have an experience of working in the bank less than 5 years, 131(47.1%) of the respondents have an experience range of 5-10 years and 8(2.9%) have the experience of working above 10 years. From the above data we can infer that almost the majority 47.1% of the respondents have a relatively good experience of working in the bank for at least 5-10 years. And hence they have a better understanding of the TQM practices of the bank.

4.2.2 Descriptive Analysis of TQM Practices and Employee Performance

In this section the general perception of the respondents regarding the five practices of TQM and employee performance at Berhan Bank S.C. is presented. Thus in the descriptive statistics (mean and standard deviation), the mean indicates to what extent the respondents averagely agrees or disagree with different statements. A lower mean indicates the level of disagreement of the respondents while a higher mean indicates the level of agreement of the respondents. The standard deviation indicates the variability of the responses given by the respondents from a single sample.

Table4. 7 Descriptive Analysis of Top Management Commitment

Top Management Commitment	N	Mean	Std. Deviation
Top management actively promotes change and fosters a culture of trust, participation, and dedication in the pursuit of 'best practice.'	278	2.9604	1.21150
Quality improvement projects are personally overseen by top management.	278	2.9209	1.19907
Employee suggestions for quality management and improvement initiatives are strongly encouraged by top management.	278	2.8669	1.35699
Through training and development, top management actively engages in the quality management and improvement process.	278	2.9928	1.22251
Employees are the key to success, according to the management team.	278	2.7878	1.35487
Top management has a clear vision on how to achieve quality objectives.	278	3.0827	1.24172
Employees are made aware of the importance of quality by top management.	278	3.1691	1.43078
Technology advancements to increase quality are supported by top management.	278	3.0180	1.30938
Quality policy and quality targets are established by top management and communicated to employees.	278	3.0072	1.26318
Top management ensures that resources are available to meet quality management objectives.	278	2.9892	1.24153
Top management evaluates the effectiveness of quality policies and objectives on a frequent basis.	278	2.9317	1.17695
The organization's values related to quality and continual quality improvement are clearly expressed by the senior executive.	278	3.2338	1.16477
Senior executives take comments and advices for improving the quality and services seriously.	278	3.2374	1.23184
Average		3.0152	1.26193

Source: Own Survey, SPSS output, 2021

Table 4. 7 shows the descriptive statistics result of Top Management commitment. The mean scores ranged from 2.78 to 3.23. The highest obtained mean score is on senior executive clearly expresses the organization's values relevant to quality and continuous quality improvement and on senior executives take comments and advices for improving the quality and services seriously. This implies that majority of the respondents agree that the bank utters values related to quality and continuous quality improvement and act on to improve quality services. The lowest score is on the recognition of the management that success comes from employees. This indicates majority of the respondents slightly agree on this statement.

Table4. 8 Descriptive Analysis of Employee Involvement

Employee Involvement	N	Mean	Std. Deviation
Employees are motivated, supported, and encouraged by the Bank.	278	2.4856	1.27662
Employees are encouraged to contribute in the development and implementation of quality management practices.	278	3.2086	1.27444
Employees at all levels are involved in the development of policies and programs.	278	2.9281	1.28665
Employees are fully involved in quality and operational decision-making.	278	2.6871	1.35126
Employees are acknowledged for their efforts to improve quality.	278	2.9676	1.19371
Suggestions from employees are considered and implemented.	278	2.8237	1.13106
Employees are fairly compensated for the quality of their performance.	278	2.9424	1.10965
To increase skills and performance, self-improvement is promoted.	278	3.2950	1.29678
There is an openness culture in Berhan Bank.	278	3.0935	1.23366
Employees are routinely informed about the organization's performance.	278	3.2338	1.29398
Rather than individualized work, the company fosters teamwork.	278	3.2338	1.35929
Employees are recognized for their high-quality work.	278	3.4317	1.40165
Employees at the right level are delegated responsibilities.	278	3.3237	1.32848
At work, employees are encouraged to share their ideas and thoughts.	278	3.0647	1.13181
Average		3.0513	1.2620

Source: Own Survey, SPSS output, 2021

Table4. 8 present respondent's response on employee involvement. The mean scores ranged from 2.48 to 3.43. The highest mean score is found to be with regard to employees recognition for their quality performance which is 3.43 while Berhan Bank motivates supports and encourages employees scored the lowest mean score (Mean =2.48, SD= 1.27). This implied that employees are not happy on how the bank gives attention in encouraging and supporting employees.

Table4. 9 Descriptive Analysis of Continuous Improvement

Continuous Improvement	N	Mean	Std. Deviation
Employees are encouraged to be creative and imaginative when it comes to enhancing processes in order to get better results.	278	3.0863	1.37792
Rather than sticking to old work procedures, Berhan Bank has an entrepreneurial mindset.	278	3.1583	1.37675
Rather than being just the job of the quality department, continuous quality improvement is a shared obligation among all employees.	278	3.4317	1.28333
Management and employees team up to embrace quality management as a shared organizational culture.	278	3.1295	1.36133
The bank's culture and business philosophy are based on innovation and constant improvement.	278	3.2518	1.30588
Employees are constantly striving to improve the quality of their services and work processes.	278	3.4964	1.39816
Employees actively seek out new work-related information and knowledge that can help them improve the quality of their work.	278	3.5360	1.46578
Average		3.2985	1.3670

Source: Own Survey, SPSS output, 2021

Table4. 9 shows continuous improvement dimensions with in which employees seek out new work-related information and knowledge that can help them improve the quality of their work has the highest mean score (Mean= 3.53, SD=1.46) and employees are encouraged to be creative

and innovative in enhancing processes for better results scored the lowest mean (Mean= 3.08, SD=1.37).

Table4. 10 Descriptive Analysis of Employee Education and Training

Employee Education and Training	N	Mean	Std. Deviation
Berhan Bank has a training program that is applicable to all employees.	278	3.0755	1.31557
Employees are re-trained on a regular basis to fill in any gaps in their expertise.	278	3.1619	1.38287
There are adequate resources accessible to enhance and train employees' work skills.	278	3.0612	1.29976
Employees at Berhan Bank are encouraged to participate in education and training.	278	3.3741	1.40022
Employees in the bank receive quality awareness training.	278	3.0576	1.30685
Employees are valued as long-term resources at the bank, and they deserve to be educated and trained throughout their careers.	278	3.1439	1.30570
Berhan Bank provides frequent training on how to obtain information on clients, employees, and general works.	278	2.7338	1.04467
Employees that receive ongoing training are better able to comprehend and meet the needs and expectations of customers.	278	3.1367	1.28979
Continuous training in the workplace considerably improves employees' decision-making ability.	278	3.3813	1.38270
Employees' confidence is strengthened as a result of ongoing training, which improves their performance.	278	3.2914	1.18260
All employees in the bank receive frequent training on how to enhance processes.	278	2.9532	1.31692
Employees were given quality principles training.	278	3.2194	1.30206
Before initiating a new training effort, the organization solicits input from various cross-functional departments.	278	3.2266	1.33371
After training, employees notice a good difference in their competency and technical skills.	278	3.4388	1.19333
Average		3.1611	1.2897

Source: Own Survey, SPSS output, 2021

Table4. 10 present employee education and training. The dimension, employees find a visible difference in their competency & technical skills after training has the highest mean score (Mean=3.43 and SD= 1.19) while the Bank provides frequent training on how to gather information concerning client, workforce and general works has the lowest mean score(Mean=2.73 and SD=1.04). This indicated that employees agree with the change in their skill and competency after training but they disagree with the training program of the bank.

Table4. 11 Descriptive Analysis of Customer Focus

Customer Focus	N	Mean	Std. Deviation
Customer input on product/service quality is used to analyze and improve customer relationships.	278	3.6115	1.20774
The Bank's core value is customer satisfaction.	278	3.8022	.90350
Market studies are used to thoroughly examine customers' future expectations.	278	3.6799	1.13765
Customers are given information and specifics about the Bank's various products and services.	278	3.7266	1.18843
Average		3.7050	1.1093

Source: Own Survey, SPSS output, 2021

As shown above, Table4. 11 depict customer focus dimensions. Customer satisfaction is the core of the Bank has the highest mean score of all the dimensions (Mean= 3.80 and SD=0.90). Customer input on product/service quality is analyzed to improve customer relationships has lowest mean score (Mean=3.61 and SD=1.20) which indicates respondents slightly agree on the improvement of customer relationship through feedback from customers themselves.

Table4. 12 Descriptive Analysis of Employee Performance

Employee Performance	N	Mean	Std. Deviation
I always accomplish my task on time.	278	3.8561	.96928
I am conscious that the work I conduct is critical to the bank's success.	278	3.6727	1.15138
While doing my job, I am able to learn new skills.	278	3.8921	1.04201
The developments at the bank give me reason to be optimistic about the future.	278	3.5036	1.23647
I do my work with passion and warmth.	278	3.6511	1.29586
Every day, I enjoy coming to work.	278	3.5971	1.31484
In my work, I make full use of my abilities.	278	3.6187	1.05376
I'm aware that if I don't do my job properly, the bank will suffer losses.	278	3.6151	1.12699
I never fail to implement tasks that are required of me.	278	3.5971	1.09952
In the bank, teamwork is valued more than individual work.	278	3.6906	.88182
Employee discrimination is never permitted.	278	3.2986	.98035
Administrators share their own experiences with staff and set aside time for them.	278	3.3561	1.22215
I always carry out the responsibilities outlined in my job description.	278	3.7086	1.06706
My performance will suffer if I am not given a title that I merit.	278	3.5144	1.17040
The work environment is quite comfortable.	278	3.5072	1.12966
The amount of supplies required to complete my work (PC, printer, stationery, table, etc.) is sufficient.	278	3.6295	1.11251
Average		3.6067	1.1158

Source: Own Survey, SPSS output, 2021

Table4. 12 indicated that out of the 16 attributes listed, the question I can learn new skills while doing my job has the highest mean score (Mean=3.89 and SD=1.04). Discrimination among the

employees is never permitted has the lowest mean score (Mean=3.29 and SD=0.98) which indicated that employees disagree on equal opportunity is given to all employees regarding recognition, promotion and other benefits.

Table4. 13 Descriptive Analysis of TQM Practices

TQM Practices and Employee Performance	N	Mean	Std. Deviation
Top Management Commitment	278	3.0152	.96346
Employee Involvement	278	3.0514	.88972
Continuous Improvement	278	3.2986	1.06153
Employee Education and Training	278	3.1611	.93326
Customer Focus	278	3.7050	.89536
Employee Performance	278	3.6068	.72969
Valid N (listwise)	278		

Source: Own Survey, SPSS output, 2021

Table4. 13 reveals that employees have a neutral stand on the effect of Top Management commitment and employee involvement on employee job performance by which they have a mean or average score of 3.01 and 3.05. This shows that respondents are indifferent about the effect of top management commitment and employee involvement on employees' performance.

On the other hand regarding continuous improvement, respondents have somehow a positive response. It can be seen that employees slightly agree on its effect having a mean score 3.29 and SD 1.06. Similarly, employee education and training has a mean score of 3.16 and SD of .93 which also implied employees slightly agree on its effect on employees' performance.

It can also be seen that customer focus has the highest mean score of all other variables mentioned above. It has a mean score of 3.7 and SD .89. This implies that respondents consider this dimension has a positive effect on employees' performance. Regarding respondents' level of

agreement on employees' job performance, there is a high level of performance in the bank with a mean score of 3.6.

4.3 Inferential Statistics Analysis

4.3.1 Correlation Analysis

Correlation is concerned with finding out the relationship between two or more variables. It is about obtaining measures on two different variables from a number of individuals and these measures will be statistically analyzed if there is relationship between them (Robert, 2006).

According to Robert (2006), the values of the correlation coefficients range between -1.00 and +1.00. Both, +1.00 and -1.00 represents perfect positive and negative relationships while 0.00 represents no relationship between the variables.

Dancey & Reidy (2007) suggest correlation strength as follows:

- 0.1 to 0.3 (-0.1 to -0.3) as “weak”, above 0.3 to 0.6 (above -0.3 to -0.6) “Moderate” and above 0.6 to 0.9 (above -0.6 to -0.9) “Strong”.

Table4. 14 Spearman’s rho Correlation Matrix

			TMC	EIE	CI	EET	CF
Spearman’s Rho	TMC	Correlation	1.000				
		Coefficient					
		Sig.(2 tailed)	.				
	EI	Correlation	.732**	1.000			
		Coefficient					
		Sig.(2 tailed)	.000	.			
	CI	Correlation	.748**	.744**	1.000		
		Coefficient					
		Sig.(2 tailed)	.000	.000	.		
	EET	Correlation	.552**	.546**	.667**	1.000	
		Coefficient					
		Sig.(2 tailed)	.000	.000	.000	.	
	CF	Correlation	.184**	.286**	.376**	.314**	1.000
		Coefficient					
		Sig.(2 tailed)	.002	.000	.000	.000	.
EP	Correlation	.582**	.482**	.592**	.463**	.622**	
	Coefficient						
	Sig.(2 tailed)	.000	.000	.000	.000	.000	

Source: Own Survey, SPSS output, 2021

Charles Spearman’s coefficient of correlation is a non-parametric technique for measuring relationship between two variables for ordinal data (Kothari, 2004). Table4. 14 shows the correlation between employee performance (dependent variable) and the independent variables; Top Management Commitment (TMC), Employee Involvement (EI), Continuous Improvement (CI), Employee Education and Training (EET) and Customer Focus (CF).

From the above table, Top Management Commitment (TMC) is positively correlated with Spearman’s coefficient of $r = 0.58$ and sig. (2-tailed) 0.000 that is < 0.05 . Therefore there is a moderate relationship between the two variables. Employee Involvement (EI) is positively correlated with Spearman’s coefficient of $r = 0.48$ and sig. (2-tailed) 0.000 that is < 0.05 which

implies there is a moderate relationship between the two variables. Continuous Improvement (CI) and Employee Education and Training (EET) are also positively correlated with Spearman's coefficient of $r= 0.59$ and 0.46 and sig. (2-tailed) 0.000 respectively. This also implies that there is a moderate relationship between the variables. Customer Focus (CF) has a Spearman's coefficient of $r=0.62$ and sig. (2-tailed) 0.000 which indicates there is strong relationship.

According to Dancey & Reidy (2007), the findings show that Top Management Commitment (TMC), Employee Involvement (EI), Continuous Improvement (CI) and Employee Education and Training (EET) have a moderate relationship while Customer Focus (CF) has a strong relationship with employee performance.

Table4. 15 Correlation Analysis of TQM Practices with Employee Performance

		TQM	EP	
Spearman's rho	TQM	Correlation Coefficient	1.000	
		Sig. (2-tailed)	.	
		N	278	
			278	
	EP	Correlation Coefficient	.687**	1.000
		Sig. (2-tailed)	.000	.
		N	278	278

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey, SPSS output, 2021

Table4. 15 show the correlation between TQM practices and employee performance. The result in the study revealed that TQM practice has a positive strong correlation with employee performance ($r=0.68$). In addition the finding showed that the five TQM practices; Top Management Commitment, Employee Involvement, Continuous Improvement, Employee

Education and Training and Customer Focus have a significant positive correlation with employee performance.

4.3.2 Statistical Assumption Testing

Before a regression analysis, there are assumptions that are required for a valid result. In this study since the data was not normally distributed, the assumption test for linear regression was not met. Therefore, an ordinal logistic regression was employed in the study. Three assumptions were conducted to ensure the appropriateness of the data to analyze using ordinal logistic regression.

Assumption 1: The Dependent and One or More Independent Variables Should Be Measured at the Ordinal Level.

In this study both the dependent variable (employee performance) and independent variables (Top Management Commitment, Employee Involvement, Continuous Improvement, Employee Education and Training and Customer Focus) are Likert items that are measured at ordinal level.

Assumption 2: Multicollinearity

Multicollinearity is the extent by which the independent variables are highly correlated. It reduces the unique and significant contribution of one independent variable's predictive power in the prediction model (Robert, 2006).

The two most common measures to assess multicollinearity are tolerance and variance inflation factor (VIF). Tolerance is the amount of variability of an independent variable not explained by other independent variables while VIF is an indicator of the effect of other independent variables on standard error of regression coefficient. The common cutoff for tolerance value is a greater

than 0.1 value which corresponds to a VIF value of less than 10 (Joseph, William, Barry, & Rolph, 2010).

Table4. 16 Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Top Management Commitment	.340	2.938
Employee Involvement	.307	3.253
Continuous Improvement	.285	3.513
Employee Education and Training	.505	1.981
Customer Focus	.685	1.460

Dependent Variable: Employee Performance

Source: Own Survey, SPSS output, 2021

Table4. 16 show the multicollinearity test for the independent variables. The values of the tolerance for all the independent variables are greater than 0.1(the minimum is 0.285) and also the VIF values for all variables are less than 10 (the maximum is 3.513). Therefore it can be confirmed that no multicollinearity exist between the variables.

Assumption 3: Proportional Odds (Test of Parallel Lines)

The proportional odds assumption test states that the effect of each independent variable at each cumulative probability of being in to higher category is identical or consistent on the ordinal dependent variable (Lund & Lund); (O'Connell, 2006).

Table4. 17 Proportional Odds Test

Test of Parallel Lines^a				
Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Null Hypothesis	372.853			
General	359.841 ^b	13.011 ^c	15	.601

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

a. Link function: Logit.

b. The log-likelihood value cannot be further increased after maximum number of step-halving.

c. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model.

Source: Own Survey, SPSS output, 2021

Table4. 17 Show the proportional odds test assumption. The p value 0.601, which is a non-significant value, indicates that the proportional odds assumption is met. This indicates that the effects of the independent variables are consistent across levels of the categories on the dependent variable.

4.3.3 Regression Analysis

To analyze the effects of the independent variables on the dependent variable, the non-parametric test which is ordinal logistic regression analysis was employed in the study. The ordinal logistic regression analysis is summarized as follows:

Table4. 18 Model Fitting Information

Model	-2Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	573.944			
Final	372.853	201.092	5	.000

Link function: Logit.

Source: Own Survey, SPSS output, 2021

Table4. 18 Show the model fitting information. The chi- square value 201.092 is the difference in the deviance between the intercept only (null model) and the full model containing the independent variables. It is also found that a statistical significance test which is .000, indicating that the full model presents a significantly better fit than the null model to the data.

Table4. 19 Goodness-of-Fit

	Chi-Square	Df	Sig.
Pearson	2885.670	519	.000
Deviance	371.067	519	1.000

Link function: Logit.

Source: Own Survey, SPSS output, 2021

Table4. 19 show the Pearson and Deviance chi- square test that can be used as an additional test if the model fits the data well. The non-significant test for deviance indicated that the data has a good fit with the proposed model.

Table4. 20 Pseudo R-square

Cox and Snell	.515
Nagelkerke	.589
McFadden	.348

Link function: Logit.

Source: Own Survey, SPSS output, 2021

Table 4. 20 indicate how much better the full model fit the data than the null model. Therefore the Nagelkerke pseudo R-square which is most widely used in OLR presents that 58.9% of the total variability in employee performance is explained by the independent variables (Top Management Commitment, Employee Involvement, Continuous Improvement, Employee Education and Training and Customer Focus) while 41.1% of the variance is explained by factors other than the independent variables.

Table 4. 21 Parameter Estimates

Parameter	B	Std. Error	Hypothesis Test			
			Wald Chi-Square	Df	Sig.	Exp(β)
Threshold [EP=1.00]	2.877	.9005	10.212	1	.001	17.770
[EP=2.00]	5.402	.8105	44.429	1	.000	221.925
[EP=3.00]	9.489	1.0863	76.296	1	.000	13210.515
[EP=4.00]	14.599	1.3062	124.918	1	.000	2189532.2
TMC	.788	.2428	10.527	1	.001	2.198
EI	-.612	.2851	4.607	1	.032	.542
CI	.925	.2464	14.074	1	.000	2.521
EET	-.136	.2060	.439	1	.508	.872
CF	2.000	.2519	62.990	1	.000	7.386
(Scale)	1 ^a					

Dependent Variable: Employee performance

Model: (Threshold), TMC, EIE, CI, EET, CF

Source: Own Survey, SPSS output, 2021

Table 4. 21 shows the original coefficients (β) and exponentiated coefficients (Exp (β)) or the odd ratios which are used to reflect the change in dependent variable (employee performance) associated with changes in independent variables (Top Management Commitment, Employee Involvement, Continuous Improvement, Employee Education and Training and Customer Focus). In this study, instead of the original coefficients (β) the exponentiated coefficients (Exp (β)) is used for interpretation. According to O'Connell (2006), these coefficients represent the change in the predicted probability being in a higher category on the dependent variable for every one unit increase in the independent variable holding the other independent variables constant (p.12). William, Barry, & Rolph (2010) pointed out that exponentiated coefficients (Exp (β)) of >1 represents a positive relationship. An exponentiated coefficients (Exp (β)) of <1 indicates a negative relationships and exponentiated coefficients (Exp (β)) of 1 no predicted change (p.327).

Top Management Commitment, continuous improvement and Customer Focus have an odd ratio of greater than one, that is 2.198, 2.521 and 7.386 and a statistically significant p value 0.001, 0.000 and 0.000 ($p < 0.05$) respectively. While employee involvement has an odd ratio of less than one which is, 0.542 and a statistically significant p value of 0.032. Employee education and training has an odd ratio of 0.872 which is less than one and a non-significant p value 0.508 ($p > 0.05$). Customer focus, with the largest Exp (β) makes the strongest contribution by having the highest positive predicting power for employee performance of Berhan Bank followed by continuous improvement and Top Management Commitment while employee involvement has the least predicting power.

4.4 Qualitative Result

Based on the interview conducted on, Berhan Bank established quality assurance organs at division and departmental level with the aim of achieving business excellence. TQM is also embraced by Berhan Bank and seen as a major critical success factor to improve employee performance. The objectives of the quality programs include competitive and quality service delivery, high quality and diversified banking products, deploying motivated and qualified human resource, providing high quality customer service, promoting innovation and excellence. All employees are responsible for quality management practices. Customer service and quality assurance division, CATS (Customer Account Transaction Service) and standardization department, risk and compliance management department and human resource operation and development department are the major responsible organs for quality assurance.

Customer service and quality assurance division which directly reports to the president of the bank ensures the overall continuous improvement and products/service quality of the bank. CATS and standardization department which directly report to Customer service and quality assurance division is working on to provide efficient and effective customer service at all times by assuring implementation of the overall quality management practices on districts and departments. Its core role is supervision and support of branches quality performance. In terms of branch supervision, it mainly focuses on policy and procedure implementation and operational know-how and commitment of employees. In terms of operational support, by implementing new domestic banking products, giving training on new products introduced, discussing with managers on how to consistently increase employee performance and creating awareness on all employees about the necessity of service excellence, it carry out periodic supervision of branches. In addition to suggestion box and call center a new service quality evaluation method

called SDT (Service Delivery Time) is established by this department to improve customer service quality in branches. It also design customer service standard aiming at zero customer service defect rate. In addition customer feedback is collected to assess a branch. In general, its major focus are monitoring smooth operation of branches, ensuring operation compliance, expanding digital financial service and customer service and branch standardization. In this regard branch managers are responsible for the supervision of quality activities and directly reports to CATS and standardization department with respect to quality management practices. Human resource operation and development department develops procedures to ensure high standards when hiring employees and establishes employee training programs and educational assistance programs for employees attending undergraduate and below. Risk and compliance department is responsible for assessing the appropriateness of internal policies, procedures and guidelines, ensure a follow-up of any identified deficiencies, make recommendations for amendments, and supervise implementation of corrective measures to mitigate the identified deficiencies.

The challenge mentioned by CATS and standardization department was lack of training and updating employees on continual basis. To fill this gap, the department is working with HR in preparing and improving training programs.

Enhancing customer service quality, digital financial service product quality, asset quality, resource management quality and enriching operational capabilities of employees and improving their performance are the major critical success factors that the bank has focused and will continue on focusing.

4.5 Summary and Discussion of Findings

The study find out that customer focus is the most dominant TQM practices in Berhan Bank followed by continuous improvement, employee education and training, employee involvement and top management. In addition the overall descriptive analysis of employee performance showed that a cumulative mean of 3.60. This indicated that employees have a high rating level in their level of performance in the Bank by which according to the respondents' perception, employee performance in Berhan Bank is high.

The overall correlation between TQM practices and employee performance of Berhan Bank showed that overall TQM practice has a strong positive correlation ($r= 0.68$) with employee performance. And also Top Management Commitment, Employee Involvement, Continuous Improvement, Employee Education and Training and Customer Focus have a positive and statistically significant correlation with employee performance.

In the regression analysis, the independent variables predict 58.9% of the variance in perceived employee performance. This implied that the remaining (41.1%) variance is explained by factors other than the independent variables.

The OLR results, specifically the exponentiated coefficients (Exp (β)) (odd ratios) shows the following findings:

The findings of the odd ratios for customer focus indicated that an odd ratio of 7.386 with p value of 0.000 which can be interpreted as holding other independent variables constant for every one unit increase in customer focus, the odds of being in a higher level on employee performance increases by a factor of 7.386. This implied that customer focus has a statistically significant positive relationship with employee performance. Therefore the study accepted H1:

There is a significant positive impact of Customer focus on employee performance. This finding refuted the studies conducted by Al-Saffar & Obeidat (2020); Sadikoglu & Olcay (2014) however this finding supported the finding of Suresh & Ganesan (2020) and Aimie, et al. (2016).

Continuous improvement had an odd ratio of 2.521 with p value of 0.000 that indicates holding other independent variables constant, for every one unit increase in continuous improvement the odds of being in a higher level on employee performance increases by a factor of 2.521. It can be inferred that continuous improvement has a statistically significant positive relationship with employee performance. Therefore the study accepted H1: There is a significant positive impact of continuous improvement on employee performance. This finding refuted with the finding of Deressa (2020) however it is supported by Al-Saffar & Obeidat (2020).

The odd ratio for top management commitment is found to be 2.198 with p value of 0.001. Holding other independent variables constant, for every one unit increase in top management commitment the odds of being in a higher level on employee performance increases by a factor of 2.198. Therefore the study accepted H1: There is a significant positive impact of top management commitment on employee performance. This result is supported by Aimie, et al. (2016); Zahari & Zakuan (2016); Njeru & Omondi (2016).

The variable employee involvement has an odd ratio of 0.542 and a p value of 0.032. This showed that it has an odd ratio less than one. Holding other variables constant, for every one unit increase in employee involvement the odds of being in a higher level on employee performance decreases by a factor of 0.542. Employee involvement is associated with lower impact on employee performance in Berhan Bank. Therefore the study accepted H1: There is a significant positive impact of employee involvement on employee performance. This result is supported by

Al-Saffar & Obeidat (2020); Zahari & Zakuan (2016); Njeru & Omondi (2016); Suresh & Ganesan (2020) however it refuted with the finding of Deressa (2020).

The odd ratio for employee education and training is found to be 0.872 with p value of 0.508. The p value result showed a non-significant test. Therefore, the alternative hypothesis, there is a significant positive impact of employee education and training on employee performance is rejected and the null hypothesis there is no significant positive impact of employee education and training on employee performance is accepted. This finding refuted the finding of Njeru & Omondi (2016); Deressa (2020); Aimie, et al.(2016); Zahari & Zakuan (2016).

Table4. 22 Summary of Hypotheses Testing

No.	Hypotheses	Result	Exp (β)	P
1	H1: There is a significant positive impact of top management commitment on employee performance.	H1: Accepted	2.198	0.001
2	H2: There is a significant positive impact of employee involvement on employee performance.	H2: Accepted	0.542	0.032
3	H3: There is a significant positive impact of Continuous improvement on employee performance.	H3: Accepted	2.521	0.000
4	H4: There is a significant positive impact of Employee training and education on employee performance.	H4: Rejected	0.872	0.508
5	H5: There is a significant positive impact of Customer focus on employee performance.	H5: Accepted	7.386	0.000

Source: Own analysis, 2021

Chapter Five

Conclusions and Recommendation

5.1 Conclusions

The research was carried out to investigate the practices of TQM and their effect on employee's performance in Berhan Bank. The study found that customer focus is the most dominant TQM practice in Berhan Bank followed by continuous improvement, employee involvement and top management commitment. Recently, customer focus has become the most overriding practice in the banking sector.

The study revealed that top management commitment, employee involvement, continuous improvement and customer focus have a positive significant impact on employee performance whereas employee education and training has a non-significant impact on employees' performance in Berhan Bank. This implied that in Berhan Bank when top management commitment, employee involvement, continuous improvement and customer focus improve or decline, employee performance also improves or decline directly. In general, it can be inferred from the result that whether or not TQM practices has a positive or negative effects, depends on the type of organization's TQM strategies and policies and the different TQM variables practiced in the organization, proper implementation of TQM and the barriers while implementing TQM.

Regarding quality management practices of Berhan Bank, all employees are responsible for quality management practices in the bank. The major challenge of Berhan Bank is that employee education and training is poorly practiced when compared to other TQM practices. A little

training is provided to the employees for developing their skills that support them to engage in continuous improvement of their performance.

5.2 Recommendations

Based on the findings and the conclusions, the researcher recommends some measures to be taken by Berhan Bank.

- Director of customer service and quality assurance should be committed and collaborate with all the departments to the regular improvement of quality and review the quality management programs to maintain improvements in delivering quality service. Top management should communicate the quality principles and objectives at all departments. It should allow all employees to participate in the preparation, evaluation and implementation of total quality improvement programs and policies.
- All the districts should give a due emphasis in empowering and involving employees in decision making by clearly communicating the vision and how they can contribute to that vision of the bank and also it should be open to listen their ideas, suggestions and inputs so that their contribution can make a difference and they can feel a sense of belongingness to perform better. District managers should facilitate employee involvement through their leadership by creating an environment that emphasizes total quality. Employees should be encouraged and recognized to express their ideas and suggestions.
- Since continuous improvement influence the bank's competitiveness, CATS and standardization department should make an ongoing effort in doing an improvement and development in the area of quality service, work process, innovation process. And also

the continual improvement should not only be executed by the management, it should also be the responsibility of all employees.

- As shown in the findings employee education and training have not been properly considered in Berhan Bank. The findings of the study regarding employee education and training implied that human resource operation and development department should give due emphasis for employee education and training to increase the productivity of the bank. Employee training and education create skilled and competent workforce. Trainings should be facilitated to all employees by all departments in collaboration with human resource operation and development department with time durations that helps employees to be involved and engaged in continuous improvement and leads to higher performance. Human resource department must take initiatives in improving employees' skills and knowledge through scheduled training to get the expected performance from employees. It must allocate resource to training on quality so that employees will enhance their performance on quality improvement to deliver quality and reliable service to customers. It shall launch extensive training interventions on professional capacity building to ensure all employees of the bank are equipped with the necessary sufficient knowledge to undertake their responsibilities.
- All departments and branch employees should be more customers oriented than ever. CATS and standardization department should embrace customers' feedback from different sectors in order to meet their needs like quality customer service, ATM access, easy mobile and online banking access and others so that they would be loyal and satisfied. A frequent communication and feedback with customers will lead the Bank to

know the needs and expectations of customers so that it will respond on time for their needs.

5.3 Directions for Future Study

This study concentrated on the effects of TQM practices on employees' performance in Berhan Bank and only five TQM variables and three measures of employee performance were assessed in the study hence there would be a concern in generalizing the results therefore the researcher recommends for further studies with other dimensions, moderating variables and other organizations.

Insignificant relationships between employee education and training and employee performance indicate there may be an indirect relationship. Therefore an indirect/mediation relationship between TQM practices and employee performance can be studied. And also the barriers in the implementation of TQM practices and their effect on organizational and employee performance can also be studied.

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COLLEGE OF BUSINESS AND ECONOMICS

DEPARTEMENT OF MANAGEMENT

Appendix A: Questionnaire

Dear respondents,

I am postgraduate student in Management at College of Business and Economics of AAU specializing in Total Quality Management and Organizational Excellence. Currently, I am collecting research data for my thesis research entitled as “The Effect of Total Quality Management (TQM) practices on Employee Performance in the case of Berhan Bank”. In this regard, I kindly request you to fill the attached research questionnaire herewith by marking appropriate response to each of them. Your participation is essential for the successful completion of the study thesis. I also want to assure you that all information with respect to this research will be treated confidentially and will be used for academic purpose only. Your assistance and cooperation will be highly appreciated.

With kind regards,

Hana Berhane

Tel: 0920332935

The research questionnaire has two main parts namely general information (part I) and Total Quality Management Practices and employee performance (part II). Under part I, there are 6 general questions. Part II has 6 sections. Section A (top management commitment) has 13 questions, section B (employee involvement) has 14 questions, section C (continuous improvement) has 7 questions, section D (employee education and training) has 14 questions, section E (customer focus) has 4 questions, and section F (employee performance) has 16 questions.

Part One: General Information

Please tick (✓) mark for each question to indicate your most appropriate response.

- 1) Gender Male Female

- 2) Age group (in years) 20- 25 26-30 31-35 36-40
 Above 40

- 3) Educational level (Qualification) Diploma Bachelor's Degree
 Master's Degree PhD

- 4) Your current job position customer service officer loan officer
 Accountant Assistant Manager Branch manager
 Other (please specify).....

- 5) Your monthly income level 6500-9500 9501-12500 birr
 12501-15,500 birr 15501-18500 18501-21500
 Greater than 21500

- 6) How long have you been working in Berhan Bank?
 Less than 5 year 5-10 years greater than 10 years

Part Two: Total Quality Management (TQM) practices and Employee Performance

Listed below are statements dealing with various attributes of Total Quality Management (TQM) practices and employee performance. Please put a tick (√) mark for each question to indicate your most appropriate response.

A	Top Management Commitment	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Top management actively promotes change and fosters a culture of trust, participation, and dedication in the pursuit of 'best practice.'					
2	Quality improvement projects are personally overseen by top management.					
3	Employee suggestions for quality management and improvement initiatives are strongly encouraged by top management.					
4	Through training and development, top management actively engages in the quality management and improvement process.					
5	Employees are the key to success, according to the management team.					
6	Top management has a clear vision for how to achieve quality objectives.					
7	Employees are made aware of the importance of quality by top management.					
8	Technology advancements to increase quality are supported by top management.					
9	Quality policy and quality targets are established by top management and communicated to employees.					
10	Top management ensures that resources are available to meet quality management objectives.					
11	Top management evaluates the effectiveness of quality policies and objectives on a frequent basis.					
12	The Bank's values related to quality and continual quality improvement are clearly articulated by top management.					
13	Top management takes comments and advices for improving the quality and services seriously.					

B	Employee Involvement	Strongly Disagree	Disagree	Neutral	Strongly Agree	Agree
1	Employees are motivated, supported, and encouraged by the Bank.					
2	Employees are encouraged to contribute in the development and implementation of quality management practices.					
3	Employees at all levels are involved in the development of policies and programs.					
4	Employees are fully involved in quality and operational decision-making.					
5	Employees are acknowledged for their efforts to improve quality.					
6	Suggestions from employees are considered and implemented.					
7	Employees are fairly compensated for the quality of their performance.					
8	To increase skills and performance, self-improvement is promoted.					
9	In Berhan Bank, there is an openness culture.					
10	Employees are routinely informed about the Bank's performance.					
11	Rather than individualized work, the company fosters teamwork.					
12	Employees are recognized for their high-quality work.					
13	Employees at the right level are delegated responsibilities.					
14	At work, employees are encouraged to share their ideas and thoughts.					

C	Continuous Improvement	Strongly Disagree	Disagree	Neutral	Strongly Agree	Agree
1	Employees are encouraged to be creative and imaginative when it comes to enhancing processes in order to get better results.					
2	Rather than sticking to old work procedures, Berhan Bank has an entrepreneurial mindset.					
3	Rather than being just the job of the quality department, continuous quality improvement is a shared obligation among all employees.					
4	Management and employees team up to embrace quality management as a shared organizational culture.					
5	The bank's culture and business philosophy are based on innovation and constant improvement.					
6	Employees are constantly striving to improve the quality of their services and work processes.					
7	Employees actively seek out new work-related information and knowledge that can help them improve the quality of their work.					

D	Employee Education and Training	Strongly Disagree	Disagree	Neutral	Strongly Agree	Agree
1	Berhan Bank has a training program that is applicable to all employees.					
2	Employees are re-trained on a regular basis to fill in any gaps in their expertise.					
3	There are adequate resources accessible to enhance and train employees' work skills.					
4	Employees at the Bank are encouraged to participate in education and training.					
5	Employees in the Bank receive quality awareness training.					
6	Employees are valued as long-term resources at your company, and they deserve to be educated and trained throughout their careers.					
7	Berhan Bank provides frequent training on how to obtain information on clients, employees, and general projects.					
8	Employees that receive ongoing training are better able to comprehend and meet the needs and expectations of customers.					
9	Continuous training in the workplace considerably improves employees' decision-making ability.					
10	Employees' confidence is strengthened as a result of ongoing training, which improves their performance.					
11	All employees in the Bank receive frequent training on how to enhance processes.					
12	Employees were given quality principles training.					
13	Before initiating a new training effort, the organization solicits input from various cross-functional departments.					
14	After training, employees notice a good difference in their competency and technical skills.					

E	Customer focus	Strongly Disagree	Disagree	Neutral	Strongly Agree	Agree
1	Customer input on product/service quality is used to analyze and improve customer relationships.					
2	The Bank's core value is customer satisfaction.					
3	Market studies are used to thoroughly examine customers' future expectations.					
4	Customers are given information and specifics about the Bank's various products and services.					

F	Employee performance	Strongly Disagree	Disagree	Neutral	Strongly Agree	Agree
1	I always accomplish my task on time.					
2	I am conscious that the work I conduct is critical to the bank's success.					
3	While doing my job, I am able to learn new skills.					
4	The developments at the bank give me reason to be optimistic about the future.					
5	I do my work with passion and warmth.					
6	Every day, I enjoy coming to work.					
7	In my work, I make full use of my abilities.					
8	I'm aware that if I don't do my job properly, the bank will suffer losses.					
9	I never fail to implement tasks that are required of me.					
10	In the bank, teamwork is valued more than individual work					
11	Employee discrimination is never permitted.					
12	Administrators share their own experiences with staff and set aside time for them.					
13	I always carry out the responsibilities outlined in my job description.					
14	My performance will suffer if I am not given a title that I merit.					
15	The work environment is quite comfortable.					
16	The amount of supplies required to complete my work (PC, printer, stationery, table, etc.) is sufficient.					

Appendix B: Interview Questions

1. Does Berhan Bank have Quality programs?
2. What are the major goals of the quality programs in the Berhan Bank?
3. What are the TQM practices of Berhan Bank? How are these practices implemented?
4. Does every employee participate in the implementation of total quality practices? Who are the major responsible organs in the implementation of total quality practices?
5. How do these quality practices influence employee performance?