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ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE

**EFFECT OF TOTAL QUALITY MANAGEMENT PRACTICE ON
ORGANIZATION PERFORMANCE: THE CASE OF DASHEN BANK**

**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLEGE OF
BUSINESS AND ECONOMICS IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF SCIENCE (MSc) IN
ACCOUNTING AND FINANCE**

BY

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JUNE, 2024

Declaration

I, Menbere Wabi, announce that this thesis allowed “The Impact of Total Quality Management (TQM) Practice on Organization Performance in the case of Dashen Bank Company” is my own original work and has not been accessible for a degree in any other university and that all foundation of material used for the thesis have been recognized and accepted as complete reference. This thesis is presented for the award of the Degree of Master of Science (M.Sc.) in Accounting and Finance.

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Statement of Approval

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Acknowledgment

First of all, I would like to give my marvel and approval to the Almighty GOD for his priceless attentions and supports throughout my life and assisted me since the beginning of my education to its achievement. Secondly, I would like to thank my advisor Dr. Temesgen Worku for his advice and beneficial comments from the very beginning of proposal development to the end of this thesis work. I am very much thankful to all members of the team of respective for Dashen bank company who has provided me all the required information. Finally, I would like to thank my sister Seblewengel Wabi for her limitless support and my husband Tamirat Shewangizaw for understanding, inspiration and support throughout the progress of the study.

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Acronyms

TQM	Total Quality Management
TMC	Top Management Commitment
CF	Customer Focus
EE	Employee Empowerment
CI	Continuous Improvement
PA	Process Approach
OP	Organization Performance
ANOVA	Analysis of Variance
SPSS	Statistical Packaging for Social Science
VIF	Variance Inflation Factor

Abstract

The purpose of this study was to examine the effect of total quality management practices on the organizational performance of Dashen Bank. The study focused on five independent variables such as top management commitment, customer focus, employee empowerment, continuous improvement and process approach. The study used quantitative research approach and explanatory research design to objectively answer the research questions. The researcher used simple random sampling technique in order to choose respondent from the population and distribute 135 structured questionnaires. Then the data were coded through SPSS software and analyzed via descriptive and inferential statistics of correlation and regression analysis. The finding of multiple regression analysis showed that the top management commitment, customer focus and continuous improvement had significant positive impact on organization performance. The employee empowerment had insignificant negative impact on organization performance and the process approach had insignificant positive impact on organization performance. Finally, on the basis of the research findings, suitable recommendations along with inferences for further studies have been forwarded. The recommendations take assessment of employee training need and opportunity for improvement of to deliver quality service and increase organization performance.

Key Words: *Organization performance, Top management commitment, Customer focus, Employee empowerment, Continuous improvement and Process approach*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Total Quality Management (TQM) helps to guarantee that all of the fundamental tasks involved in creating, developing and executing a service are efficiently done. Cooperatively reinforcing concepts comprise the philosophy and management approach of quality management and each is encouraged by a system of procedures and methods (Dean & Bowen, 1994). To meet client requests, it entails managing people with the relevant goal of enhancing the quality of offerings offered. Quality management methods, sometimes referred to as total quality management or TQM seek to continuously enhance the quality of offerings and processes by concentrating on the needs and expectations of the customer in order to promote customer satisfaction and business performance (Sadikoglu & Oclay, 2014).

TQM aids in creating a culture of trust, participation, teamwork, quality-mindedness, enthusiasm for continuous improvement, continuous learning and fundamentally a working culture that reinforces a firm's success and existence (Mohd & Aspinwall, 2000). For an organization to succeed, quality is essential. Enhancing the quality of their operations, products and services, as well as the way they run their companies has become authoritative for banks. The term "quality" refers to the excellence of products and services, particularly insofar as they meet specifications and satisfy clients (Islam & Haque, 2012).

Managing tasks, projects and firm operations so that the company can compete with other businesses in the system is known as total quality management. The supervision of all employee tasks, activities and work lines is just one aspect of quality management, which has numerous facets and aims to enhance and gain influence in all areas pertaining to the business. To increase productivity, it could be necessary to create new policies, create improvement initiatives, engage with the market and get rid of mistakes (Maxwell, 2011).

Quality management techniques are used for future policies on business and work objectives. Project teams are mostly seen to implement this act in order to get the upper hand. The long-term success of a company depends on quality management and the different factors that affect the company's performance. All organizations are required to present information and quality management should be used if the company's management wishes to enhance the production line, business activities, sales income and profit (Powell, 1995).

The impact of TQM practices (leadership, strategic planning, people management, customer oriented, information and analysis, and process management) on organizational performance is not straightforward, although there are several organizations that have experienced positive revitalizations and improved performance based on TQM; very few organizations have been able to ignore the TQM domains and still thrive. Nevertheless, there have been many situations in which, despite the successful implementation of TQM, operational performance improvement could not be achieved (Vecchi & Brennan, 2011).

1.2 Background of the organization

The Ethiopian banking industry is dominated by private bank, commercial bank of Ethiopia a head of two leading private banks, Awash international bank and Dashen bank, who together hold significant market share a head of the other 14 private banks. Dashen Bank was established as per the intent of the new policy and the Ethiopian investment code. It came into existence on September 20,1995 according to the commercial code of Ethiopia and the licensing and supervision of banking business proclamation No. 84/1994. The bank offers a full range of products and service varying saving, current and fixed them deposit accounts to trade finance, international banking services, domestic banking services, e banking services, fund transfer, credit services and interest free banking services.

The Bank is one of the largest private banks in Ethiopia, with its headquarters located in Addis Ababa. Ethiopia has earned Dashen the distinction of being the most trustworthy brand in the local banking industry. It runs its business through a general network of more than 800 branches, nine forex-only bureaus, 400 ATMs, and more than 1,300 point-

of-sale (POS) terminals. Dashen Bank is present wherever its clients take it throughout the world (Dashen Bank, 2024).

1.3 Statement of the Problem

Researches on total quality management has examined the relationships between the Total quality management and organizational performance. Many researchers have examined the link between total quality management and financial performance. Flynn (1995) and Easton (1998) Effective comprehensive quality management implementations increase long-term profitability and stock returns according to research findings. They argue that increased quality performance is the outcome of more intense overall quality management techniques.

Karia & Asaari (2006) examined the manner in which TQM procedures impact employees' opinions of their jobs. The results of their empirical investigation showed that education and training have a significant positive impact on organizational commitment, job involvement and job satisfaction. Empowerment and teamwork significantly boost workplace engagement, career happiness, job satisfaction and organizational commitment. Ultimately, the performance of organizations and customer satisfaction are significantly increased by problem prevention and continuous improvement.

Analyzing the motivations for the significant organizational change, the connection between a successful TQM implementation and financial performance is crucial. Whether it's a better management system or higher customer happiness, the primary driver of change is improvement. Most businesses use Total Quality Management (TQM) to adapt to changes in the competitive landscape and succeed in the severely competitive service sector (Talib, Rahman, & Qureshi, 2012).

Shank and Govindarajan (1994) claimed that because quality procedures have become so important, organization accounting could no longer ignore TQM. Standard accounting supports cost and production analysis. The core principle of the Total Quality Management (TQM) philosophy is that quality and its management need to be embedded

from the beginning and that everyone must take responsibility for attaining quality standards and improvement.

Waldman and Gopalakrishnan (1996) claim that a customer's assessment of a product or service's quality is mostly determined by how effectively it satisfies their wants and expectations. The commitment of top management to quality management which was primarily implemented shows that top management is actively involved in quality management and is giving clear and consistent leadership. Similar to other industries, the banking sector has seen a significant revolution in quality improvement. Along with this confusion, systems and technology are changing in ways that facilitate transformation.

Top management commitment to quality management which shows that senior management is actively involved in quality management and is giving clear and consistent leadership was a major component of the approach. The degree to which a product or service satisfies and expectations of the consumer determines its perceived quality. The banking industry has seen a significant revolution in quality improvement much like other industries. Systems and technological advancements that facilitate transformation accompany this revolution (Vokurka & Lummus, 2003).

The need for organization to accept the practice of continuous improvement in the face of increasing competition and challenging operating environment has required the request for the creation of quality culture about the need for leadership, education and recognition. Increasing organizational performance creativities is necessary. In order to be competitive in both domestic and international market, we should raise the organizational performance activities (Qasim, 2019). Therefore, this study attempts to identify and analyze the Effect of Total Quality management practice on organization performance of the Dashen Bank.

1.4 Research Question

The following research questions is developed to conduct the study.

1. What is the effect of top management commitment on organizational performance of Dashen Bank?

2. What is the effect of customer focus on organizational performance Dashen Bank?
3. What is the effect of employee empowerment on organizational performance of Dashen Bank?
4. What is the effect of continuous improvement on organizational performance of Dashen Bank?
5. What is the effect of process approach on organizational performance of Dashen Bank?

1.5 Objective of the Study

1.5.1 General Objective

The general objective of this study is to examine the effect of total quality management practice on organizational performance of Dashen Bank.

1.5.2 Specific objective

- To analyze the effect of top management commitment in organizational performance of Dashen Bank.
- To determine the effect of customer focus practice on organizational performance of Dashen Bank.
- To analyze the effect of employee empowerment on organizational performance of Dashen Bank.
- To examine the effect of continuous improvement on organizational performance of Dashen Bank.
- To analyze the effect of process approach in organizational performance of Dashen Bank.

1.7 Significance of the study

The study aims to examine the effect of total quality management practices on organizational performance. In organization especially on the banking industry this study will allow top management to identify the contribution of employee involvement, continuous improvement, working process approach and customer handling influence in the organization performance. Efficient quality management practices will increase bank profits which will increase the banking industry's share of the nation's rise in gross

domestic product. Furthermore, the research will increase knowledge on how quality management practices, which are used by the banking industry, affect organizational performance. Additionally, the study will provide future scholars with a point of reference for additional research in this field.

1.8 Scope of the Study

The study only focused on the effect of total quality management practice on organization performance in the case of Dashen Bank particularly in Addis Ababa branches. It provides a conceptual and theoretical appraisal on the effect of total quality management practice using major dimensions which affect the organization performance. In line with this, the study focused on the practice of total quality management dimensions and its impacts on organization performance in Dashen Bank. The quality management dimensions are top management commitment and leadership, customer focus, employee empowerment, continuous improvement and working process approach.

1.9 Organization of the Study

This research has five chapters, the first chapter is an introduction part containing background of the study, overview of Dashen Bank, statement of the problem, research questions, research objectives, research hypothesis and scope of the study. The second chapter covers the literature review which is the theoretical and empirical review. Moreover, this chapter represents relevant information for understanding the study more. The third chapter is a research methodology containing research design, target population and sampling method, data collection method, validity and reliability, data analysis and interpretation method, and ethical issues. The fourth chapter is data presentation, analysis and interpretation. The fifth chapter covers summary, conclusions, recommendations, and suggestion for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review

This section discusses the theoretical review and empirical evidences on quality management practices on organizational performance are identified for this study, based on the relevance and effect of TQM practices on organizational performance to banking sector and the effect of TQM practices mentioned in previous literatures. TQM practices over organizational performance is discussed and finally conceptual frame work is drawn from literature review.

2.1.1 Definition of Total Quality Management

Management and employees are involved in the continuous improvement of product and service output through Total Quality Management (TQM). It is a combination of quality and management strategies intended to boost revenue and reduce costs from ineffective operations. In actuality, overall quality describes how staff members think, act, and commit to providing products and services that live up to customer expectations. The company's operations must adhere to a culture of quality, wherein activities must be completed correctly the first time and errors and waste must be eliminated. TQM philosophy begins at the top of the board of directors to the line employees (Hashmi, 2010).

Effective information management is a prerequisite for Total Quality Management (TQM) in order to guarantee that staff members have access to the data and information they need in a timely, accurate, consistent and reliable manner to do their jobs inside the company.

TQM is concerned with the continuous improvement in all the process of design and operation from the levels of planning and decision making to the execution of work by the front-line staff. The emphasis on continuous improvement results in the creation of a team, the composition of which is based on the members ability to take improvement

actions and their work on gaining a thorough understanding of the process (Saadia, 2018).

According to Kaynak (2003) achievable continual improvement in all organizational operations is the goal of the comprehensive management concept known as total quality management. TQM is a many-sided concept. Work relations, supplier quality management, process management, quality data and reporting, and product/service design are some of the strategies that make up total quality management.

2.1.2 Theories of Total Quality Management

Deming's approach to Total Quality Management (TQM) is based on the idea that an organizational structure that promotes collaboration and education is necessary to make process management practices easier to implement. This in turn leads to continuous improvement of processes, products and services as well as employee satisfaction two factors that are vital to customer satisfaction and ultimately the survival of the firm (Anderson, 1994).

Deming (1986) placed a strong emphasis on the following: measuring and identifying customer requirements, forming partnerships with suppliers, using functional teams to identify and address quality issues, improving staff skills, employee engagement and pursuing continuous improvement.

Anderson (1994) developed a theory of quality management underlying the Deming management method. They suggested that the leadership efforts made to simultaneously create a cooperative and learning organization to support the implementation of process management practices are what give the Deming management method its effectiveness. These practices when put into practice, support customer satisfaction and organizational survival through sustained employee fulfillment and ongoing process, product and service improvement. Deming (1986) promoted methodological techniques in process design, management and improvement, such as the application of particular instruments and statistical techniques.

2.1.3 Importance of Total Quality Management

Employee development and organizational growth can both benefit greatly from whole quality management. Companies can create and maintain cultural values that foster long-term success for both customers and the firm itself by requiring all employees to concentrate on quality management and continuous improvement. Employee skill gaps can be found and filled with the required education, training or supervision thanks to TQM's emphasis on quality. TQM promotes knowledge exchange and the development of cross-functional teams by emphasizing teamwork. Increased coordination and communication across various groups improves institutional knowledge and gives businesses greater manpower distribution flexibility (Vokurka & Lummus, 2003). The benefit of total quality management:

- Ensures superior quality products and services
- Essential for customer satisfaction which eventually leads to customer loyalty.
- Helps an organization to design and create a product which the customer actually wants and desires.
- Ensures increased revenues and higher productivity for the organization
- Helps organization to reduce waste and inventory
- Trains a strong feeling of team work.
- Ensures close co-ordination between employees of an organization.
- Reduced risks
- Keep up with the competition.

2.1.4 Quality of Service at the Bank sector

The pursuit of client satisfaction through the use of products or services is known as quality. Product quality, service quality, process quality, environmental quality and dynamic quality all of which are subject to ongoing change are among the different categories of quality. Services as financial service commodities are distinguished by a number of attributes, including superior communication, safety, customer knowledge, tangibles, dependability, responsiveness, competence, ease of access and moral behavior. Service quality is what differentiates a business from its competitors the most. It is

determined by how much customers' normative expectations for a service deviate from their actual perception of the service's quality (Lau, 2013).

In the banking sector, TQM is crucial since it is the primary focus on service quality. It is also considered as a necessary step toward reaching the highest level of quality in the industry. A dedication to customer service and ongoing improvement is part of quality. Another crucial component of the quality of banking services is the requirement for technology-based services, new and improved product services and electronic services to raise the standard of services offered to clients (Qureshi, 2012).

2.1.5 Principle of Quality Management Practice

The international organization for standardization (ISO) has several principles to guide organization when implementing quality management procedures. ISO 9001:2015 sets standards for ensuring proper quality management systems for companies. The ISO principles of quality management are listed below

- **Customer Focus:** Fulfilling and better customers' expectations frequently leads to satisfied consumers, which in turn generates more income and improves customer retention rates. A company's ability to provide goods and services that satisfy the needs of its customers improves with increased customer knowledge.
- **Leadership:** Leaders that inspire and engage their staff to support the objectives of the business may see improvements in quality control. Good leadership can also raise the standard of the company's output and make the workplace more productive.
- **Engagement of people:** Employee engagement increases the likelihood that they will be inspired to contribute to improved quality standards. Additionally, they might be more inclined to maintain consistency in their work, constantly enhance their skills, and maintain motivation while completing tasks.
- **Process approach:** Better performance, less waste and expense, and continuous improvement are all supported by strong processes. Operations, marketing, accounting and production quality can all be enhanced by certain methods.
- **Continuous improvement:** When designing your quality management system, leave space for ongoing development. This can involve identifying and modifying

what is not functioning well. Your entire quality management will improve if you are more dedicated to continual improvement.

- Relationship management: The performance and quality management initiatives of a business can be greatly impacted by several stakeholders. The main entities that have the ability to influence quality management are manufacturers, suppliers and retailers. Strong relationship with these parties ensures open communication and the company's goal are being met.

2.1.6 Elements of Quality Management Practice

The majority of earlier research indicates that general quality management approaches significantly improve organizational performance in the manufacturing and service industries with regard to productivity, manufacturing performance and services performance (Mann & Kehoe, 1994). The characteristics of Quality management practices are leadership and Commitment, employee empowerment, Customer focus and Continuous improvement improves operational and organizational performance.

Various quality scholars have established various components of complete quality management. Implementation and success will differ from firm to company, as is the case with most management strategies. The most prevalent factors influencing overall quality management practice are as follows, although there isn't a single accepted method (Kaynak, 2003).

2.1.6.1 Top Management commitment

The implementation of Total Quality Management (TQM) is accelerated by top management, which sets values, objectives and procedures to meet and beyond customer expectations and enhance organizational performance (Flynn, Schroeder, & Sakakibera, 1995).

Anderson (1994) stated the ability of top management to develop a procedure and strategic vision for the company that is centered on the needs of the customer is known as leadership concept. The top management is in charge of setting high standards and guidelines, assigning funds, providing problem-solving training and fostering professional growth. Effective knowledge and process management designs mitigate environmentally hazardous consequences. Additionally, as the procedures become more

prevention-focused, costs are reduced and the company's profit increases (Sadikoglu & Oclay, 2014).

Good leadership will encourage a greater level of employee participation in the Total Quality Management process. Strong support from senior management is crucial to encouragement employee ownership and responsibility, a positive work environment, ongoing quality improvement and a systematic change management process (Ali Mohammad, 2014) as cited in (Zahari & Zakuan, 2016).

2.1.6.2 Customer Focus

Several studies have reported a strong link between the delivery of high-quality goods and services and profitability through customer satisfaction. Anderson defined Customer satisfaction is the extent to which a company's clients consistently believe that its goods and services meet their needs (Anderson, 1994). A company has to determine its customer relationship to Assess client requirements and expectations, involve them in the process of improving the product and determine their level of satisfaction (Powell, 1995).

An organization's level of customer focus can be determined by how readily managers can access information about customer complaints and how much customer feedback is used to improve product quality. The changing nature of consumer expectations requires that a firm periodically assess its customers and adjust its operations accordingly (Ahire, 1996).

Data on customer satisfaction must be gathered in order to advance customer focus activities. A thorough inspection of finished items from the perspective of the consumer might be a useful measure of customer satisfaction. Examples include statistics on the number of service calls and field malfunctions, as well as research and reporting on customer opinions regarding product quality. Customer satisfaction surveys provide quantitative information that can be used to gauge customer satisfaction, identify problems that require general remediation, and quickly resolve complaints from customers (Juran & Gryna, 1993).

2.1.6.3 Employee Empowerment

An important factor to achieve goals in firms is Workforce management, Workforce management is emphasized on recognize employee performance on quality, encourage team working, provide training, involve employees in quality decisions. The human resource indicated which includes employee training and employee relation was positively related to quality improvement (Anderson, 1994).

Obtaining more access to information and resources, staff members can make decisions that are more responsive to customers and can improve customer relations (Flynn, 1995). The organization must ensure that internal training program is provided for staff employees with their proper skills (Kaynak, 2003).

2.1.6.4 Continuous Improvement

continuous improvement is to assemble a team from every department in the business. The group first spent time researching both their own and other businesses. The required amount of quantitative data is produced. After then, the group starts putting the solutions the management has been given into practice. Once that is accomplished, it is necessary to implement follow-up procedures that continuously look for ways to improve (Saadia, 2018).

The team might change members with the passage of time, but hopefully become an established and accepted part of the company even as its schedule changes. The team will increase quality as a result of its initial efforts if the plans are carried out as anticipated. This might encourage additional staff members to adopt this idea, which would encourage them to look for ways to make it better going forward (Joiner, 2005)

2.1.6.5 Process Approach

The organization must create, implement, maintain and continuously improve a quality management system, including the necessary procedures and their interrelationships, in accordance with the international standard ISO 9001:2015. The company must set up and implement the procedures required by the quality management system throughout the entire organization. It has to determine required inputs and expected outputs from these processes, their order and mutual interactions, as well as criteria, methods, including the measurements and related performance indicators necessary to ensure that the performance of these processes and their management are efficient.

The effectiveness of process management implementation has been cited as one of the major dimensions of integrated quality efforts (Anderson, 1994). Process describes the arrangements of equipment, personnel, supplies, materials and machinery used in a production. Total Quality management works on the belief that the overall quality of products can be enhanced by improving the quality of the processes directly or indirectly related to their activities of organization.

The objective of process management is to reduce process variation by building quality into the production process (Flynn et al., 1995 & Anderson et al., 1994). As a result, there was an improvement in output quality and a reduction in expenses like waste and rework. The key to process control and improvement is maintaining process capability to fulfill production requirements. Deming affirmed that mass inspection should not be the only means of enhancing product quality. Quality is produced through reorganization the production process rather than through inspection (Deming, 1986).

2.1.7 Organizational Performance

Performance the primary criterion for determining success is a broad term that assesses an organization's capacity to meet its objectives. Numerous academics employed both financial and non-financial performance to measure performance (Powell, 1995). And others have considered customer satisfaction measures to consider performance benefits grown from QM practices (Anderson et al., 1994).

As noted by Vassilakis & Besseris (2009) organizational performance indicates the attainment of the firms' organizational objectives. The organizational performance is the output of the organization achievement or operation in three dimensions; organizational effectiveness, financial and operational effectiveness. Non-financial and operational performance includes market share, introduction of new product and market effectiveness. Organizational performance is a multinational variable or construct that can be measured using various indicators including product quality effectiveness, customer satisfaction and financial performance.

Customer satisfaction is a common metrical used by many firms to evaluate the quality of a product or service. According to Zahari (2008) good quality management applications lead to higher market share and client retention. By offering customers durable and dependable products and services, a customer-focused strategy can increase customer loyalty. A company's financial performance is shown by its revenue collected, return on investment, cost of performance, return on assets, growth in market share and increase in sales.

2.2 Empirical Review

Anton and Rami (2014) studied the total quality management (TQM) strategies were applied in Palestinian hospitals and how they related to organizational performance using the seven Malcolm Baldrige National Quality Award criteria (MBNQA). The criteria include (Leadership, Human resource management, Customer focus, strategic planning, Information and analysis, Process management and performance results). A random sample of hospital staff members in Palestine was the sampling strategy employed for this investigation. Windows Excel and the statistical software for social science (SPSS) were used for the data analysis and further statistical computations (correlation and regression). According to the study's findings, hospital performance and the overall quality management constructs utilized in it are positively correlated and this association is substantial for the most part. These constructs can account for a sizable percentage of performance variation. Information analysis, process management and people management were determined to be the three components that significantly predicted performance.

As per the study by Mwaniki & Okibo (2014) on the effect of total quality management on financial performance in the banking sector. The study's objectives were to identify the overall quality management strategies used by Kenya's national bank and investigate how they affected the bank's bottom line. The goal of this study was to determine the relationship between financial success and the four pillars of comprehensive quality management: processes, top management engagement, supplier relationships and customer relationships. Financial performance was the dependent variable in the study,

while the four pillars of total quality management were the independent factors. The National Bank of Kenya headquarters are located in Nairobi, and the study's target demographic consisted of middle and junior staff members as well as top management from several divisions. NBK (National Bank of Kenya) employs a large number of people, the study used stratified random sampling to choose respondents. Fifty workers, or 10% of the 500 total, took part in the survey. A questionnaire was the research tool that was employed. The various NBK departments received a total of fifty structured questions. For the study, secondary data was taken from already-published papers. The results showed that financial success, supplier relationships, process, and top management participation were all positively correlated. However, the financial performance was adversely impacted by the client relationship.

Al-ettayem (2015) conducted research on the impact of overall quality management practices on organizational performance in the Jordanian banking industry. These practices include customer satisfaction, education and training, continuous improvement, teamwork, and top management. The population under investigation is the Jordanian banking sector, specifically the commercial banks. The researcher reviewed several references before developing a questionnaire to advance the objectives of the study. In order to evaluate and explore the hypotheses, the researcher employed statistical package for social sciences (SPSS) to send 250 surveys at random to 11 commercial banks in Jordan. Research has demonstrated that TQM techniques enhance organizational performance in both financial and non-financial areas.

Total quality management is the most popular approach to management, with the goal of improving an organization's financial performance through satisfying customer demands and product quality. Abdullahi & Bett (2018) the study sought to recognize the effect of total quality management practice and performance of commercial banks in Kenya. A population of 104 respondents, selected from top and middle management, participated in the study, which employed a descriptive research approach. 42 responders were obtained from a 40% sample. Closed and open ended questionnaires, both structured and unstructured, were employed to collect appropriate data. Using SPSS (Version 22), descriptive statistics were used to examine the quantitative data, and results were

displayed as percentages, means, standard deviations and frequencies. Multiple regression statistics was used to establish the relationship between the total quality management practices and performance among Commercial banks in Kenya. The study discovered that most total quality management practices employed by the Kenya Commercial Bank Limited were employee involvement, top management commitment, continuous improvement and customer focus. TQM procedures are intended to replace Kenya's commercial banks' performance. According to the study, better strategy formulation and implementation focused on TQM principles are required for commercial banks and other financial institutions to operate at highest efficiency.

As per the study by Hussain and Younis (2015) on the impact of quality management practice on organizational performance through moderating role of leadership in pharmaceutical industry of Pakistan. The pharmaceutical companies in Pakistan that are members of the Pakistan Pharmaceutical Manufacturing Association throughout the country are the research's target population. To determine the overall impact of independent factors (quality management practice) on dependent variables (organizational performance), regression analysis is employed. The quality management practice components are Top management, employee empowerment, employee involvement, process orientation, employee training, Customer focus and continuous improvement). The results indicate that the success of pharmaceutical companies is significantly influenced by the application of quality management principles.

According to Abubakar and Odock (2018) study showed on the effect of total quality management practices on operational efficiency of container depots in Mombasa County. The researcher used cross-sectional data using a descriptive design. Due to the limited population a census survey was conducted on each of the 36 container terminals in Mombasa County which was the target population. SPSS was used for data analysis, yielding both descriptive and inferential statistics. The findings discovered that elements of total quality management practices (top management commitment, training, teamwork and employee commitment, customer focus and quality focus) had a significant relationship with operational efficiency ($p < 0.05$). when individual total quality management practices were considered, top management commitment, training,

teamwork and employee commitment, customer focus and quality focus also showed a strong positive correlation with operational efficiency.

As per Birhan (2022) study on the total quality management and its impact on organizational performance in the case of Ethio telecom. Total quality management gives businesses a competitive edge in terms of output, profitability, customer satisfaction and quality. To achieve the objectives a stratified sample technique and a descriptive and explanatory study design were employed. In order to establish relevant literature and strengthen the hypothesis' objectivity the researcher employed both primary and secondary data. The researcher has indicated that customer focus, top management commitment and employee management were the major factors for the organizational performance improvement.

2.3 Conceptual Framework

The aim of the study is to determine the effect of total quality management practice in organizational performance in the case of Dashen Bank. Based on study previous researchers on the literature review, the following conceptual framework is formulated by the researcher which has five determinants to examine total quality management practice on the organizational performance of Dashen bank.

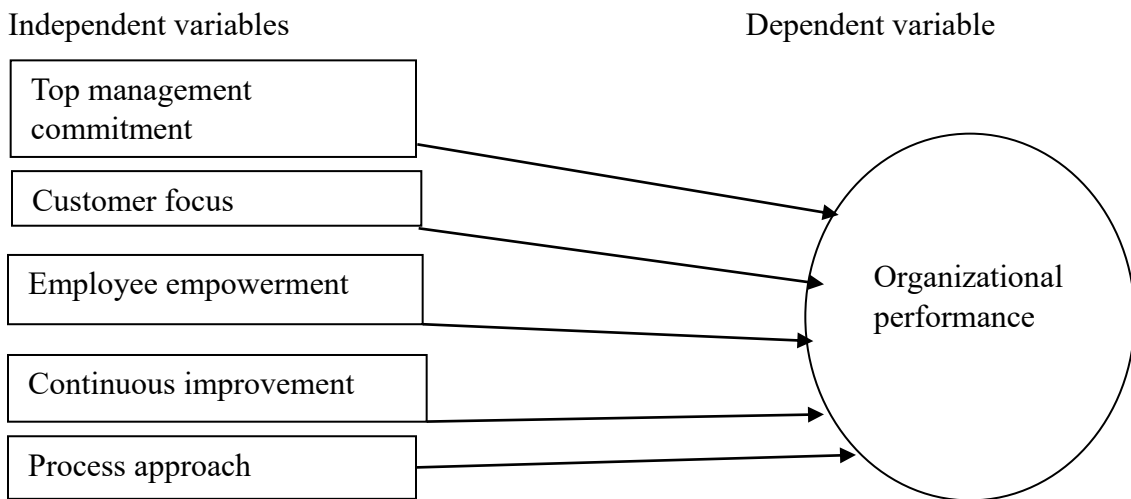


Figure 1: Conceptual frame work model

Source: Adopted from Anton, Rami & Omar (2014).

2.4 Research Hypothesis

As per study conducted by Al-ettayem (2015), Paul (2015) and Omar & Stephen (2018) top management commitment, customer focus, employee empowerment, continuous

improvement and process approach has significant and positive effect on organization performance. Thus, the study hypothesized the above total quality management determinants have significant and positive effect on organization performance.

Hypothesis 1: There is significant, positive impact of top management commitment on organizational performance.

Hypothesis 2: There is significant, positive impact of customer focus on organizational performance.

Hypothesis 3: There is significant, positive impact of employee empowerment on organizational performance.

Hypothesis 4: There is significant, positive impact of continuous improvement on organizational performance.

Hypothesis 5: There is significant, positive impact of process approach on organizational performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The chapter deals with the research methodology used to carry out the research. It includes Research design and approach, sources of data, sample size and sampling techniques, data

collection instruments, data analysis techniques, validity and reliability and ethical consideration are discussed.

3.2 Research Design

The fundamental goal of research design is to convert a research problem into data for analysis in order to get relevant research questions answers at the lowest possible cost. Kerlinger (1986) describes research design is an approach framework and method used to answer research questions while maintaining the best possible control over variables. Explanatory studies were showing the causal relationship between variables (Saunders, 2009). Explanatory studies were necessary for a study problem leads to the explanation of the relationship between variables. Therefore, the researcher used explanatory research design and this is help to evaluate and examine the effect of total quality management practices on Organizational performance of Dashen Bank.

3.3 Research Approach

The quantitative research approach was employed by the researcher in this study. By looking at the relationships between variables the quantitative approach tests objective theories. Typically, these variables can be monitored on an instrument allowing statistical processes to be applied to the numbered data for analysis (Creswell, 2008). When data from a sample of the population is collected for study, the results may be generalized. Thus, the researcher adopted a quantitative approach to accomplish the study and provide a solution to the issue. Quantitative research approach used to quantify the respondents the effect of total quality management practice on organizational performance of Dashen Bank by generating numerical data.

3.4 Source of Data

Throughout the entire analysis of this work, the researcher used data from primary sources. Data was gathered from Dashen Bank's selected sample of respondents via a questionnaire. The information obtained directly from the respondents was called primary data. The researcher also gathered secondary data by looking through journals and website company provided as secondary data sources.

3.5 Population and Sampling Study

3.5.1 Population of the Study

The population refers to the whole set of individuals, events or subjects that the researcher wants to look into. The target population refers to those people, events or records that contain the desired information for the study that determine whether a sample or a census should be selected (Cooper & Schindler, 2014). The target populations of the study have experienced and knowledgeable about quality management system practice are 200 including top managers, managers, supervisors and senior experts that have permanently working in Dashen Bank. Based on the target population majority of respondents are available on head office and in addition to this by considering the researchers' resource and time constraints and to analyze the data effectively includes 10 branches found around the head office, namely, Lideta branch, Mexico branch, Gandi branch, Sengatera branch, Stadium branch, Abnet branch, Sebategna branch, Amoudi branch, Geja sefer branch and Meskel Flower branch.

3.5.2 Sampling of the Study

The respondents were selected from the population using the probability of sampling technique of simple random sampling. Simple random sampling with probability was used to select the respondents from the population. A simple random sample is a subcategory of a statistical population with an equal chance of selection for each member and that is empirically representative of the group. A sample size is determined by how many observations it contains. It's usually written with a n.

According to Kothari (2004) The number of objects selected from a population is referred to as the sample size, and it shouldn't be excessively large or small. To get the information from sample respondents, the three elements are essential in calculating sample size. The researchers were able to select the appropriate sample size, level of precision, level of risk or confidence, and level of variability in the variables being measured. Therefore, by considering the above criteria of sample size to collect data through questionnaire for this study to be determined by using Yamane's (1967) method with 95% confidence level and 5% precision level.

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

Where:

n = Sample size,

N = Population size, and

e = Level of precision or sampling error, given as 0.05 at 95% of confidence interval.,
The total sample size is **135**.

3.6 Method of Data Collection

Data obtain from both primary and secondary sources. The data collect directly from the original source are referred to as primary data. Collecting primary data can be accomplished by observation, interviews and questionnaires. Secondary data is material obtained from books, journals, public papers and studies conducted by other researchers on a definite topic (Creswell, 2009). Primary and secondary sources of information were used by the researcher. To gather primary data prepared questionnaires for quantitative analysis. Applying closed-ended questionnaires to collect the data. The questionnaires were organized in the form of Likert-scale type (viewing respondents' agreement or disagreement) by making into a five-point scale where the lowest scale represents strongly disagree and the maximum scale represents strongly agree (Likert, 1932).

3.7 Method of Data Analysis and Presentation

Descriptive and inferential statistics were used to process the data after it was collected. Frequency of distribution is investigated and presented using descriptive analysis,

whereas regression analysis and correlation analysis are used in inferential analysis to evaluate hypotheses. Excel from Microsoft Office and SPSS version 26, the statistical package for social science were used to collect and analyze the data. It helps to examine the relationship between the independent with dependent variable i.e., Correlation and regression analyses also to measure the effect of total quality management practice on organizational performance of the Dashen Bank. The organization performance is the dependent variable and independent variables are top management commitment, customer focus, employee empowerment, continuous improvement and process approaches. To conduct study, the researcher used Econometric model because it offers us numerical measure of the relationship between the dependent and independent(s) variables. This shows that relationship between the dependent and independent variables and their effect on total quality management.

$$OP = \beta_0 + \beta_1 * TMC + \beta_2 * CF + \beta_3 * EE + \beta_4 * CI + \beta_5 * PA + e$$

Where;

OP=Organizational performance of Dashen Bank

TMC=Top management commitment

CF=Customer focus

EE= employee empowerment

CI= continuous improvement

PA= Process approach

β_0 = is a constant, which represents organization performance every independent variable is zero.

β_1 to β_5 =are the coefficients, in which every marginal change in the independent variables that affect Performance of Dashen Bank, and

e=the error term

3.8 Validity and Reliability

3.8.1 Validity

Validity is the process of defining if conclusions drawn from information or evidence are suitable (Sounders et al., 2003). Validity according to Sounders et al. (2003) is the extent to which a procedure or data collection approach accurately measures the intended outcome. To ensure the study validity, the researcher confirmed that the objectives and

questions were clearly stated, that the research design was appropriate, that the measurement instruments were accurate and valid, and that the sample design was representative.

3.8.2 Reliability

The degree to which a measure yields a consistent result and is free from random error is known as reliability. It functions as a tool for evaluating the measurement's internal reliability. Saunders et al. (2003) define dependability as the degree to which a method or methods of data collection yield consistent outcomes and comparable observations.

According to Cronbach (1951) most frequently practical estimate of a different item scales reliability, which represents the standard of all possible split-half reliabilities for a construct. A better measuring instrument is indicated by a higher coefficient (called the Cronbach Alpha Value), whose value goes from 0 to 1. To be considered trustworthy or acceptable, a measure's acceptable value must be more than 0.7 (Pallant, 2010). Cronbach's alpha was thus used by the researcher to assess the measuring materials' internal consistency and reliability.

A reliability test was showed on the data obtained for every statement in order to examine the consistency of the data collected. Cronbach's Alpha was used to produce the reliability test. If a measuring device consistently yields consistent findings, we can consider it consistent result (Kothari, 2004). In the study a very high Cronbach's Alpha value was realized (the more it tends to 1 the better it is). According to SPSS Version 26 Result the table below which verifies that the data is highly reliable.

Table 1: Reliability Statistics

Reliability statistics		
Item	Cronbach's Alpha	No of item
Top Management Commitment	0.819	5
Customer Focus	0.734	5
Employee Empowerment	0.727	5
Continuous Improvement	0.728	5
Process Approach	0.76	5
Organization Performance	0.714	5
Cumulative Cronbach's Alpha	0.747	

Source: Own survey result, 2024

3.9 Ethical Consideration

The responders' identities are kept secret and the information they provide is handled with privacy. Furthermore, no information was changed or altered; as a result, the data was given exactly as it was gathered, and a word of gratitude for all the literature gathered for this study. Ethics had to be taken into account in order to protect respondents' confidentiality and safety. Among the significant ethical issues considered in the research process was agreement and confidentiality. Important information about the study that drawn its goals and objectives was provided to respondents in order to obtain their authorization. The research participants are not enforced into the study. Participants' privacy was protected by withholding their names and other personal information from the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The researcher's goal in this study is to determine how overall quality management affects an organization's performance. Thus, this chapter presents empirical findings by clarifying the methods of multiple regression analysis, correlation and descriptive statistics. It is dedicated to describing the respondents' demographic characteristics as well as data analysis, hypothesis testing, regression, correlation and descriptive results.

4.1 Response Rate

Respondents who are currently employed by Dashen Bank were given survey questionnaires. Among the questionnaires that were issued, 125 were correctly completed and returned, 92.6% of the total response rate. The other 10 questionnaires on the other hand were not returned, 7.4% of the response rate.

$$\begin{aligned} \text{Response rate} &= (\text{No of respondents}/\text{Total distributed}) * 100 \\ &= (125/135) * 100 = 92.6\% \end{aligned}$$

Table 2: Response Rate of Respondents

No.	Item	Total	Percent
1	Distributed Questionnaires	135	100
2	Collected Questionnaires	125	92.6
3	Remain uncollected	10	7.4

Source: Own survey result, 2024

4.3 Data Processing

The completed surveys were entered into SPSS version 26 after being coded in Excel. The data was analyzed using this software. Descriptive statistical analysis used to reduce large amount of data to summarize frequencies, means and standard deviations. The gathered information for each question and respondent is compiled using descriptive statistics. Furthermore, the investigator employed regression and correlation analysis with the assistance of this software program.

4.4 Demographic Respondents

The survey's demographic variables include the respondents' gender, age, education and years of experience as Dashen Bank workers.

Table 3: Demographic Characteristics of Respondents

Characteristics	Item	Frequency	Percent
Gender	Male	63	50.4
	Female	62	49.6
	Total	125	100.0
Age	20 - 35 years	93	74.4
	36 - 45 years	31	24.8
	46 - 60 years	1	8
	Total	125	100.0
Educational Level	Bachelor Degree	78	62.4
	Master's Degree	47	37.6
	Total	125	100.0
Work Experience	Less than 5 years	53	42.4
	5 - 10 years	55	44
	11 - 15 years	17	13.6
	Total	125	100.0

Source: Own survey result, 2024

According to the above table 62 (49.6%) of the 125 respondents are female, and 63 (50.4%) of the respondents are male. The table above shows that there is no difference in the number of female and male responses. This demonstrates how the organization values and supports women to perform and meet the business's objectives. 93 (74.4%) are between the ages of 20 and 35, 31 (24.8%) are between the ages of 36 and 45, and 1 (8%) are between the ages of 46 and 60. This suggests that the responders are older and more productive. 78 (62.4%) have a bachelor's degree, while the remaining 47 (37.6%) have a master's degree. It is show that first-degree holders take the majority of the responders. The majority of respondents, 55 (44%) have between 5 and 10 years of experience, while the remaining 17 (13.6%) have between 11 and 15 years of experience. Among the respondents, 53 (42.4%) have less than five years of work experience. We can conclude that a significant portion of the participants has a good deal of work experience, expertise

and understanding regarding the impact of quality management practices on firm performance.

4.5 Descriptive Analysis

The aim of this study determines the effect of total quality management practice on organizational performance. The respondents' opinions of the TQM practices as they are outlined in terms of process approach, employee empowerment, top management commitment, customer focus and continuous improvement. A mean score of less than 3.39 is considered low, a mean score of 3.40 to 3.79 is considered moderate, and a mean score of more than 3.8 is considered high according to Kumar (2014).

Furthermore, the standard deviation is less than 1 that is the variations in respondents' opinion were small. In general, the mean and standard deviation was used to determine the extent of spread of the data. The following table displays the data's mean and standard deviation.

4.5.1 Mean and Standard Deviation

The investigation's respondents' mean, standard deviation and valid number of observations are examined. The uniqueness of the data can be determined using this descriptive statistic based on the distribution of two categories measurement: measures of central tendency (mean), which measure the result's spreading and dispersion (standard deviation and variance). The primary goal of the study was to interpret the mean and standard deviation values in accordance with the complete ideas. The basic average of every value in a particular distribution is the mean score.

Table 4: Mean and Standard deviation of Result

Item	N	Mean	Standard Deviation
TMC	125	3.9620	0.8288
CF	125	4.0600	0.8800
EE	125	3.7180	0.8590
CI	125	4.0100	0.8162
PA	125	3.9740	0.8216
OP	125	4.0660	0.7304

Source: Own survey result, 2024

From Table 4 that the mean values of every variable fell between 3.7180 and 4.0660. 3.97 is the average mean value across all variables, while 0.823 is the standard deviation. The above finding, the organization benefited from the TQM effect when it focused on five aspects: process approach, staff empowerment, customer focus, top management commitment and continuous improvement. The keys to success include, as mentioned in the literature review section the selection of related literature regarding the effects of total quality management on organizational performance.

4.6 Inferential Analysis

The scaled questionnaire has been entered into SPSS software version 26, along with other descriptive statistical methods (demographic and other relevant factors). To test the hypothesis, inferential statistical methods (simple correlation and multiple regression) have been used.

4.6.1 Correlation Analysis

The strength of the relationship or association between the variables is indicated by the correlation test. The interrelationships between the variables were examined using Pearson's correlation and intercorrelation coefficients (r).

According to Saunders et al. (2007) the process of determining the likelihood that a link between variables would exist by chance alone if there was no difference in the population that the sample was taken from is called significance testing. If there is a very little possibility (often $p = 0.05$ or less) that the test statistic or one further extreme occurred by chance alone, a relationship is considered statistically significant. The link is not statistically significant if there is a greater than 0.05 chance of obtaining the test measurement.

According to Taylor (1990) Correlation shows the positive and negative degrees of association between the measured variables. Pearson's correlation coefficient always has a value between -1 and +1. A positive correlation coefficient, which indicates that an increase in the first variable would correspond to an increase in the second, recommends a direct link between the variables or perfectly associated. A negative correlation

indicates an inverse relationship in which one variable increases while the other decreases. Correlation coefficient in absolute value which are under 0.35 are considered to represent low correlation, 0.36 to 0.67 moderate correlation and 0.68 to 1.0 high correlation.

Table 5: Correlation Among Variables

Correlations							
		TMC	CF	EE	CI	PA	OP
TMC	Pearson Correlation	1	.438**	.743**	.447**	.490**	.459**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000
	N	125	125	125	125	125	125
CF	Pearson Correlation	.438**	1	.499**	.511**	.447**	.592**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000
	N	125	125	125	125	125	125
EE	Pearson Correlation	.743**	.499**	1	.435**	.441**	.399**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000
	N	125	125	125	125	125	125
CI	Pearson Correlation	.447**	.511**	.435**	1	.450**	.486**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000
	N	125	125	125	125	125	125
PA	Pearson Correlation	.490**	.447**	.441**	.450**	1	.435**

	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000
	N	125	125	125	125	125	125
OP	Pearson Correlation	.459**	.592**	.399**	.486**	.435**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
	N	125	125	125	125	125	125

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

Source: Own survey result, 2024

According to the table above, the correlation coefficient indicates the strength and direction of a relationship between two variables. The correlation analysis's result indicates a positive and significant relationship with the dependent variable since r ranges between 0.399 and 0.592. Top Management Commitment (Pearson Correlation= 0.459), Customer Focus (Pearson Correlation= 0.592), Employee Empowerment (Pearson Correlation= 0.399), Continuous Improvement (Pearson Correlation= 0.486), Process Approach (Pearson Correlation= 0.435). Each variable has a p value that is less than 0.05. All of the variables in the above-mentioned table have a moderate correlation coefficient and a statistically significant association between or each other.

4.6.2 Regression Analysis

The statistical approach of regression examines the relationship between two or more variables. Regression analysis uses a regression equation to predict how a dependent variable will change given one or more independent factors. Multiple regression analysis is the process of determining a coefficient of multiple determination, multiple regression coefficient, and regression equation utilizing two or more independent variables (Saunders et al., 2007).

In order to determine the association between organization performance as the dependent variable and the independent variables of Top Management commitment, customer focus, employee empowerment, continuous improvement, and process approach, regression analysis was conducted. These are typical regression analysis assumption tests.

4.6.2.1 Multi Collinearity Assumption Test

Sekaran and Bougie (2016) claimed that examining the variance inflation factor (VIF) value of each variable can reveal the existence of multicollinearity. The tolerance value's inverse is called VIF. When the variance of the independent variables is greater than 10, it suggests that there is an issue with multicollinearity. However, since every variable's value is smaller than 10, there is no dependence between them. A problem occurs when the explanatory variables are very highly correlated with each other and this problem is known as multi-collinearity. Tolerance value and variation inflation factor (VIF) for each independent variables determines multi collinearity test.

Table 6: Multi Collinearity Assumption Test

Coefficients ^a		
	Collinearity Statistics	
Model	Tolerance	VIF
(Constant)		
Top management commitment	0.408	2.451
Customer focus	0.620	1.614
Employee empowerment	0.408	2.450
Continuous improvement	0.646	1.547
Process approach	0.663	1.508
a. Dependent Variable: OP		

Source: Own survey result, 2024

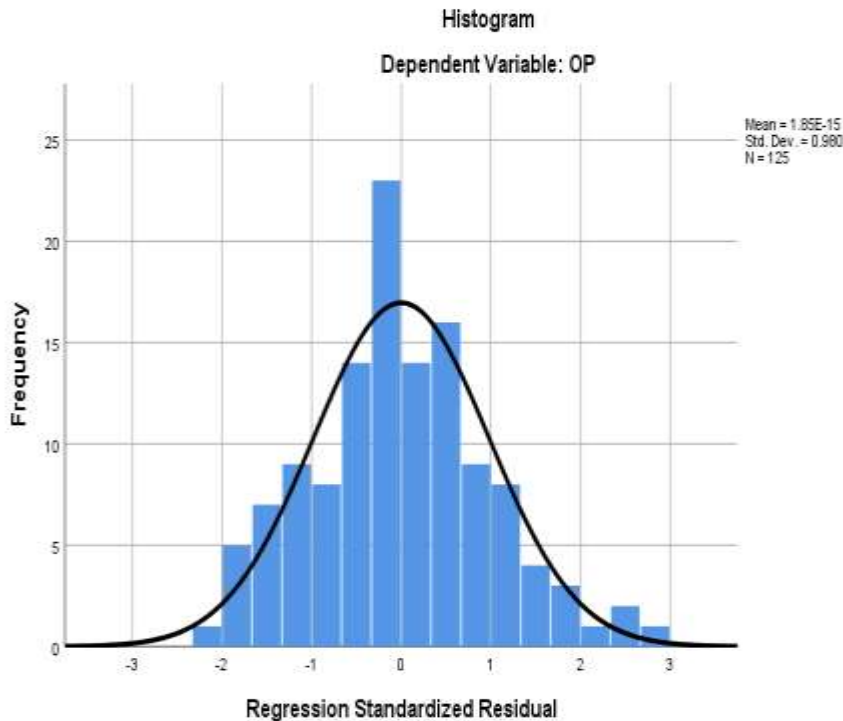
The above table indicates that VIF values for top management commitment, customer focus, employee empowerment, continuous improvement and process approach are below 10, tolerance results are above 0.10 and this show that multi collinearity is not a problem in this multiple regression model because there is no overlap of variables or no interdependence among variables.

4.6.2.2 Normality Assumption Test

If the sample data comes from a population that is regularly distributed, it can be ascertained using the normality test. A statistical plot, like the residuals scatter plot and normal probability plot of the regression (Das & Imon, 2016). The normality assumption

of the analysis is checked using standardized residuals. If not normally distributed, the residuals may indicate that the dependent variable or at least one explanatory variable has the improper functional form. The histogram graph's bell-shaped curve indicates that the residuals are regularly distributed. The frequency distribution or normality pattern of the data for the standardized residual was assessed in the study using a histogram.

Figure 2: Normality Test for Residual



Source: Own survey result, 2024

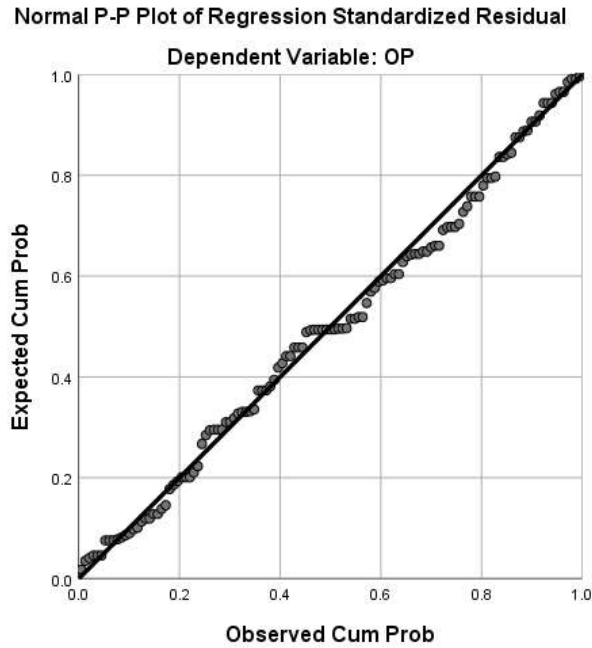
The bell-shaped histogram in the above graphic recommends that the residuals are frequently distributed and the data is normally distributed because there is no substantial deviation from the normality bell shaped curve.

4.6.2.3 Linearity Assumption Test

In the Normal Probability Plot it will be hoped that points reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality. The study applied Normal P-Plot of regression Standardized Residua (See Figure 3) to test linearity. A linearity pattern was seen since the points were dispersed

symmetrically around the diagonal line. Because linearity was attained, the residuals and the predictable dependent variable scores discovered a straight-line relationship.

Figure 3: Normal p-p Plot of regression



Source: Own survey result, 2024

4.6.2.4 Auto Correlation Assumption Test

According to Saunders et al. (2009) Autocorrelation is the degree to which a variable's value at one point in time is connected to its value at a previous time period. The Durbin-Watson statistic can be used to assess if the value of the dependent variable at a certain point in time is associated with its value at a previous time period. There are four possible values for the Durbin-Watson statistic. There is no autocorrelation when the value is two. A value nearer 0 signifies positive autocorrelation. A value closer four signifies negative autocorrelation.

Table 7: Auto Correlation Test / Durbin- Watson

Model	Durbin-Watson
1	2.156
a. Predictors: (Constant), PA, EE, CF, CI, TMC	
b. Dependent Variable: OP	

Source: Own survey result, 2024

Table 7 above shows that the Durbin-Watson Statistic result is 2.156. As a result, the study examined the assumption of autocorrelation, and the results above show that there is no autocorrelation.

4.7 ANOVA (Analysis of Variance) Test

Analysis of variance is used to determine the level of variability in a regression model. The study conducted analysis of variances to test the effect total quality management on organization performance with determinant such as top management commitment, customer focus, employee empowerment, continuous improvement and process approach. According to table 8 below, the ANOVA demonstrates the model's relevance by the value of F statistics (P=.000) and F=18.31, which is significant at p values less than 0.05. This suggests that the predictors and the regression variables' results had a strong correlation. The model best fit for forecasting how independent variables will affect the organization performance.

Table 8: ANOVA Test

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	325.944	5	65.189	18.313	.000 ^b
	Residual	423.608	119	3.560		
	Total	749.552	124			
a. Dependent Variable: OP						
b. Predictors: (Constant), PA, EE, CF, CI, TMC						

Source: Own survey result, 2024

4.8 Regression Coefficients

The relationship between the dependent variable of organization performance and the independent factors (top management commitment, customer focus, staff empowerment, continuous improvement, and process approach) is indicated by the regression coefficient. Given that the study's regression analysis of beta value is positive, it can be

said that the predictor and dependent variables have a positive association. Despite being negative, the coefficient of beta value indicates a negative association (Field, 2009).

Table 9: Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.122	1.462		4.871	.000
	TMC	.166	.084	.215	1.989	.049
	CF	.324	.070	.405	4.621	.000
	EE	-.070	.089	-.085	-.788	.433
	CI	.141	.071	.171	2.001	.048
	PA	.091	.071	.109	1.287	.201

a. Dependent Variable: OP

Source: Own survey result, 2024

The findings presented in the above table show that the three predictors—continuous improvement ($\beta = 0.141$, $P = 0.048$), customer focus ($\beta = 0.324$, $P = 0.000$), and top management commitment ($\beta = 0.166$, $P = 0.049$)—have significant positive coefficients of beta value, indicating that they positively affect the performance of the organizations under investigation. Whereas the process approach ($\beta = 0.091$, $P = 0.201$) has positive and insignificance influence on organization performance, the last variable but not the least employee empowerment ($\beta = -0.70$, $P = 0.433$) has negative coefficient of beta value and insignificance influence on organization performance.

The following multiple regression model's equation was developed using the above data to assess the impact of five independent variables on the dependent variable of organizational performance (Kothari, 2004).

$$OP = \beta_0 + \beta_1 * TMC + \beta_2 * CF + \beta_3 * EE + \beta_4 * CI + \beta_5 * PA + e$$

This model was used to examine the relationship between the independent variables with the organization performance.

Where;

OP=Organizational performance of Dashen Bank

TMC=Top management commitment

CF=Customer focus

EE= employee empowerment

CI= continuous improvement

PA= Process approach

β_0 = is a constant, which represents organization performance every independent variable is zero.

β_1 to β_5 =are the regression coefficients, in which every marginal change in the independent variables that affect Performance of Dashen Bank and

e=the error term

The above table indicates that the “ β ” value delivers coefficients of (β_1 , β_2 , β_3 , β_4 & β_5) and the following regression model equation was constructed using “ β ” coefficients at the significance level show that,

$$OP = 7.122 + 0.166 * TMC + 0.324 * CF + 0.141 * CI + e$$

From the regression coefficient, the description is found below that interpret the individual effect of the predictor.

- B_0 is a constant intercept value of the organization performance, when other coefficient of variables are zero.
- When the other factors affecting an organization's performance are fixed, a 1% increase in top management commitment will result in a 16.6% improvement in performance. As a result, the researcher confirms that top management dedication enhances Dashen Bank's organizational performance.
- When the other factors affecting an organization's performance are fixed, a 1% increase in customer attention will result in a 32.4% increase in performance. Thus, the researcher validates that Dashen Bank's organizational performance benefits from a customer-focused approach.
- If Continuous improvement increases by 1 percent, organization performance will increase by 14.1 % while fixed the other variables that affect the organization

performance. Thus, the researcher confirms that continuous improvement has a positive effect on organization performance of Dashen bank.

4.9 Hypothesis Testing

The hypothesis required to determine whether the following independent variables continuous improvement, employee empowerment, customer focus, top management commitment, and process approach had a meaningful impact on the dependent variables: organization performance. Additionally, testing hypotheses is one of the most widely utilized techniques in statistical decision making.

The null hypothesis (promoted by H_0) and the alternative hypothesis (denoted by H_a) are the two hypotheses included in the hypotheses test. The assertion or first claim is known as the null hypothesis, and it is frequently defined in terms of earlier studies. The null hypothesis is the statement or initial claim and is often specified using previous research. The alternative hypothesis is hypothesis trying to prove and which is accepted if we have sufficient evidence to reject the null hypothesis.

Saunders et al. (2007) stated that if the probability of your test statistic or one more extreme having happened by chance alone is very low (usually $p = 0.05$ or lower). In this case refusing the null hypothesis (H_0) and accepting the alternative hypothesis (H_a). If the probability of obtaining the test statistic or one more extreme by chance alone is higher than 0.05, at this time receive the null hypothesis. Thus, the hypotheses proposed for this study could be analyzed and interpreted based on table 10. as follows:

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

According to Table 9 multiple regression analysis result, top management commitment significantly affects organizational performance ($P < 0.05$). Furthermore, the top management commitment beta score ($\beta = 0.166$) indicates a positive impact on the performance of the firm. As a result, the hypothesis is accepted.

Hypothesis 2: There is a significant positive impact of customer focus on organizational performance.

Table 9 multiple regression analysis result shows that an organization's performance is significantly impacted by its customer focus ($P < 0.05$). Furthermore, the customer focus beta value ($\beta = 0.324$) indicates a favorable impact on the performance of the firm. Thus, the above proposed hypothesis is accepted.

Hypothesis 3: There is a significant positive impact of employee empowerment on organizational performance.

The result of multiple regression analysis in table 9. it indicates that employee empowerment has not significant effect on organization performance ($P > 0.05$). In addition, the value of beta on employee empowerment ($\beta = -0.70$) shows negative effect on organization performance. Thus, the above proposed hypothesis is rejected.

Hypothesis 4: There is a significant positive impact of continuous improvement on organizational performance.

Table 9 displays the outcome of the multiple regression analysis. It suggests that organization performance is significantly impacted by continuous improvement ($P < 0.05$). Furthermore, the continuous improvement beta value ($\beta = 0.141$) indicates a positive impact on the performance of the firm. Thus, the above proposed hypothesis is accepted.

Hypothesis 5: There is a significant positive impact of process approach on organizational performance.

The result of multiple regression analysis in table 9. it indicates that process approach has not significant effect on organization performance ($P > 0.05$). This means that process approach is insignificantly and positively related to organization performance in the study area. Thus, the above proposed hypothesis is rejected.

Table 10: Hypothesis Testing Summary

Test	Hypothesis	Result	Reason
Ha1	Top management commitment has significant effect on organization performance	Accepted	$\beta=0.166$, $p<0.05$
Ha2	Customer focus has significant effect on organization performance	Accepted	$\beta=0.324$, $p<0.05$
Ha3	Employee empowerment has significant effect on organization performance	Rejected	$\beta=0.70$, $p>0.05$
Ha4	Continuous improvement has significant effect on organization performance	Accepted	$\beta=0.141$, $p<0.05$
Ha5	Process approach has significant effect on organization performance	Rejected	$\beta=0.091$, $p>0.05$

Source: Own survey result, 2024

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Examining the impact of overall quality management on organizational performance in the context of Dashen Bank is the primary goal of this research. Among the questionnaires that were issued, 125 were correctly completed, returned, and used for analysis; this accounted for 92.6% of the response rate. The remaining 10 questionnaires, on the other hand, were not returned, 7.4% of the total. According to the goal, the study's findings are as follows: A total of 125 employees from Dashen Bank participated in the study; of these, 50.4% were female and the remaining 49.6% were male. The respondents' ages ranged from 20 to 35 for the most part. In addition to this, the majority of respondents had worked for Dashen Bank for five years or more. Of the respondents, 62.4% had bachelor's degrees and 37.6% had master's degrees. This demonstrated that the vast majority of respondents support the effectiveness of the quality management system in terms of organizational performance. In this study the effect of total quality management practice on organization performance of Dashen Bank were examined and analyzed the effect of between variables by using SPSS version 26 software. Total quality management practices and its effect on the organization performance were selected from reviewed researches. As the result of the analysis of the data, the following findings summarized as follows.

Top management commitment: The finding of the study demonstrates that the mean score is 3.96 in table 4.; the effect of this variable on the dependent variable of organization performance Pearson correlation (r) is .459 in table 5. and the regression standardized ($\beta = .166$, at $p < 0.05$). This showed that top management commitment significant positive effect on the organization performance. Hence, the alternative hypothesis is supported.

Customer focus: The finding of the study demonstrates that the mean score is 4.06 in table 4.; the effect of this variable on the dependent variable of organization performance Pearson correlation (r) is .592 in table 5. and the regression standardized ($\beta = .324$, at $p < 0.05$). This showed that customer focus significant positive effect on the organization performance. Hence, the alternative hypothesis is supported.

Employee empowerment: The finding of the study demonstrates that the mean score is 3.72 in table 4.; the effect of this variable on the dependent variable of organization performance Pearson correlation (r) is .399 in table 5. and the regression standardized ($\beta = -0.070$, at $p > 0.05$). This showed that employee empowerment insignificant negative effect on the organization performance. The regression analysis showed a weak relationship among the variables.

Continuous improvement: The finding of the study demonstrates that the mean score is 4.01 in table 4.; the effect of this variable on the dependent variable of organization performance Pearson correlation (r) is .486 in table 5. and the regression standardized ($\beta = .141$, at $p < 0.05$). This showed that continuous improvement significant positive effect on the organization performance. Hence, the alternative hypothesis is supported.

Process approach: The finding of the study demonstrates that the mean score is 3.97 in table 4.; the effect of this variable on the dependent variable of organization performance Pearson correlation (r) is .435 in table 5. and the regression standardized ($\beta = .091$, at $p > 0.05$). This showed that process approach insignificant positive effect on the organization performance.

5.2 Conclusion

This study's primary goal is to investigate the factors that influence Dashen Bank Company's overall quality management effectiveness. Based on the analysis and summary, the following conclusion are drawn.

- The concept total quality management its effects on organization performance have received high level of interest universally in the recent times, more especially as it influences the marketing as a major factor for achieving organization performance advantage. TQM has been widely accepted as ways and means for achieving excellence in quality during this time by many companies around the world. A positive coefficient of correlation between the performance of the organization and all quality management practices was discovered by the correlation study. This illustrates how strongly the independent and dependent variables of top management commitment, customer focus, continual improvement, employee empowerment, process approach and organization performance are correlated as well as how they are associated. Therefore, the impact of overall quality management technique on organizational performance can be enhanced by system development and interrelationships in all independent factors.
- The result of regression and hypothesis testing indicated that the three variables top management commitment, customer focus and continuous improvement have positive and significant effect on the organization performance of Dashen bank. There is no a significant and positive effect of employe empowerment and process approach on the dependent variable of organization performance because it is insignificant in its regression value which does not have influence on the organization performance of Dashen bank company. shows insignificant effect on the organization performance. This show that to remember for the all managements to be highly committed to the need assessment of employee training and oppportunity for improvement of to deliver quality service and increase company performance.
- In general, it was found and concluded that all quality management practice determinants with the exception of process approach and employee empowerment had a positive and significant impact on Dashen Bank's organizational performance. This show that top management take responsibility to create quality policy and communicate to the staff members, identify and analyses the customers' needs and expectations, problem solving and set further

action plan for continual improvements. The study's findings lead the researcher to the conclusion that the above-mentioned factors are essential to the effectiveness of overall aspect of quality principles on the organizational performance of Dashen Bank Company.

5.3 Recommendation

- The study shows that total quality management determinants have effect on the organization performance. Considering the above the researcher recommended that, to announcement the effective implementation of Total Quality Management practice (TQM) in Dashen Banks, the management must accept responsibility, provide employees with opportunities to maintain consistency in the workplace, inspire employees to raise the quality of services they provide and identify any gaps in employee training needs that must be filled in order to improve the organization performance. Therefore, the development of appropriate involvement skills and process approach are prerequisite for enhancing the employee contributions to their organization performance inspirations.
- The top managements should take into the consideration the fact that service quality improvement process must be set up in a systematic way that incorporates all parts of the company. Every section, unit and department system should be aligned in such a way that could lead to improving quality making this goal the responsibility of every part and everyone in the company. The organization performance improvement process should be clear as to what it can achieve, how it can achieve it, and what the responsibilities of each employee in the improvement process. In addition, provide successfully contribute to the management together with giving enough training and awareness about the success and profit maximization, and measure the effectiveness of training and its impact on the organization performance. The management's regular evaluation and monitoring of input from both internal and external sources would help the banking industry function even better. Above all, top management support and commitment to Total Quality Management (TQM) are essential for its successful implementation.

5.4 Direction for Future Researchers

The banking industry depends on the overall quality management technique, which is difficult to execute quickly. The goal of the study was to investigate how TQM practices affected the organization performance of the Dashen Bank. Future researchers should address the shortcomings of this work, which were caused by money and time constraints. To improve the study's accuracy, it is advised that future researchers expand the scope of their investigation and incorporate data from different regions in addition to the factors that are necessary to test the hypothesis.

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Appendix

Addis Ababa University

College of Business and Economics

Department of Accounting and Finance

A questionnaire to be filled by employees

Dear Respondents,

Research on the subject of the impact of overall quality management on organizational performance is intended to be done using this questionnaire. Partially fulfilling the prerequisites for an M.Sc. in accounting and finance at Addis Ababa University's College of Business and Economics is the goal of this research. Sincere responses from the staff will be critical to the research's success because they will serve as the main source of data for the analysis. I kindly request you to participate in this research study by completing the attached questionnaire. In order to ensure that all information will remain confidential please do not include your name anywhere in the questionnaire. I also sincerely request you to respond to the questions as honestly as possible and return the completed questionnaires.

Menbere Wabi mobile; +2519 41 63 14 67

Email: menbere.wabi01@gmail.com

Part 1: Demographic Information Please put a “√” mark on your choice in the space provided

1. Gender Female Male
2. Age group (in years) 20 – 35 36 – 45 46 – 60
3. Educational level Bachler degree Master’s degree PHD
Other _____
4. Years of services in this company
Less than 5 years 5 – 10 years
11 – 15 years Above 15 years

Part II. Total Quality Management Variables.

The following sections deal with your opinion about your organization's implementation of Total Quality Management. Please indicate with a (√) symbol the degree to which you agree, indicating if you [1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree]

Code	No.	Item	Level				
			1	2	3	4	5
TMC	1.	Top Management Commitment	1	2	3	4	5
	1.1	The top management creates clear quality policy & quality objective and communicate to the organization.					
	1.2	Top management inspires employee's feedback in quality management & improvement activities.					
	1.3	The top management participates in continuous training on the quality issue.					
	1.4	The top management shows the directions how to improve the quality system.					
	1.5	The top management ensures the accessibility of resources to achieve the quality objectives.					
CF	2.	Customer Focus	1	2	3	4	5
	2.1	The organization has effective use of customer feedback.					
	2.2	The organization asks customers for feedback continuously					
	2.3	The organization designs services according to customer requirements					
	2.4	Employees are trained on how to handle customers.					
	2.5	The organization has plan to evaluate the customer complains.					
EE	3.	Employee Empowerment	1	2	3	4	5
	3.1	Employee training needs are assessed, planned and conducted on regular basis.					
	3.2	Staff of the organization receives continuous training to provide a good service.					
	3.3	Employees are encouraged to direct their opinion at work.					
	3.4	The organization authorizes employees to make substantive decisions					

	3.5	Employees have taken reward and opportunity for involvement in quality management practice.					
CI	4	Continuous Improvement	1	2	3	4	5
	4.1	Continuous quality system improvement is an important goal of the organization.					
	4.2	Problem solving & continuous improvement process are based on fact and systematic analysis.					
	4.3	Employees are encouraging to be creative & innovative for better performance.					
	4.4	Continuous quality improvement is a part of all employee's responsibility.					
	4.5	The organization reviews the customer feedback in management meeting.					
PA	5	Process Approach	1	2	3	4	5
	5.1	The organization relies on quality tools to improve performance					
	5.2	The organization reviews feedback from internal and external customers.					
	5.3	The organization measures effectiveness of training and its impact on employees.					
	5.4	Best practices of other organization are examined for continuous improvement.					
	5.5	Quality product and service produced meet the customer demand effectively.					
OP	6	Organization performance measurement	1	2	3	4	5
	6.1	The number of customer complaint has reduced.					
	6.2	The organization provides high performance services delivery.					
	6.3	Service quality has effect on profit maximization.					
	6.4	The organization maintains consistent quality standards for providing services.					
	6.5	The decision becomes more accurate and valuable.					

If you have any comment about effect of total quality management practice on organization performance, write below the space.
