



**THE EFFECT OF TOTAL QUALITY MANAGEMENT ON
ORGANIZATIONAL PERFORMANCE IN ETHIOPIAN FEDERAL
TRANSPORT AUTHORITY**

DEPARTMENT OF MANAGEMENT

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INTERNATIONAL BUSINESS**

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COLLEGE OF BUSINESS AND ECONOMICS
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This Thesis is submitted to Department of Management in partial fulfillment of the requirements for MA Degree in International Business .

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

This certifies that “the effect of total quality management on organizational performance: in Ethiopian Federal Transport Authority” complies with university rules and standards for originality and quality. It was submitted in partial fulfillment of the requirements for MA degree in International Business .

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Date

DECLARATION

I, FIKREMARYAM ENDAYKEFAGN, thus certify that this thesis is wholly original with me and that all references used in the research paper have been properly cited. To the best of my knowledge and belief, the material included in this research paper has never been presented for the award of a master's degree.

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I, YOHANNES WORKEAFERAHU (PhD), confirm that this research has been submitted for examination with my approval as the University Supervisor.

Main Advisor Name	Signature	Date
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Abstract

This study investigated the relationship between Total Quality Management (TQM) and organizational performance, employing both descriptive and explanatory research methods. The study focused on staff working at the Federal Transport Authority's main office. 150 staff members from the Federal Transport Authority were selected using a random and purposive sampling method. The study relied on primary data collected through questionnaires. Correlation analysis was conducted to determine the strength of the association between Total Quality Management dimensions namely customer focus, employee management, leadership, training, and continuous improvement and organizational performance. In order to examine the relationship between independent variables and organizational performance multiple regression analysis was conducted. Customer satisfaction is the determining factor of organizational performance.

The study revealed strong positive correlations between TQM dimensions (customer focus, employee management, leadership, training, continuous improvement) and organizational performance. Customer focus emerged as the strongest predictor ($\beta=0.358$), with regression analysis confirming TQM explains 74.4% of performance variance.

Prioritize customer-centric policy reforms, enhance employee participation in decision-making, invest in leadership development, and institutionalize continuous improvement mechanisms to maximize TQM effectiveness at the Federal Transport Authority.

Keywords: Organization performance, customer focus, leadership, training, continuous improvement.

A List of acronyms

TQM_Total

Quality

Management

PM –

Performance

Management

PMS – Performance

Management System

SPSS - Statistical

Package for Social

Science

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Total Quality Management (TQM) has become a crucial strategy for improving organizational effectiveness across different industries. TQM prioritizes continuous improvement, customer satisfaction, and employee engagement to cultivate a high-quality organizational culture. According to Murekezi and Badu (2021), TQM practices not only improve service delivery but also enhance operational efficiency, which is particularly vital for public sector organizations like the Ethiopian Federal Transport Authority (EFTA). Ethiopia's growing population demands expanded transportation services. Meeting this need requires prioritizing Total Quality Management (TQM) principles within infrastructure development.

The transportation sector is vital for national progress, driving economic expansion and social advancement. Obstacles like poor infrastructure, insufficient resources, and bureaucratic hurdles impede efficient service delivery in Ethiopia. As indicated by Abate et al, 2020, Public sector organizations may struggle with performance due to the absence of strong quality management systems. Implementing TQM provides a structured approach to service quality overcoming these challenges while boosting customer satisfaction and loyalty.

Moreover, the significance of service quality has been increasingly recognized in the context of public services. According to Tesfaye and Kassa (2022), service quality in public organizations directly correlates with citizen satisfaction and trust in government institutions. The Ethiopian Federal Transport Authority, responsible for regulating and overseeing transportation services, must adopt TQM strategies to enhance its service delivery. The EFTA focus on quality management improves responsiveness to customer needs, strengthening its reputation as a dependable public service provider.

The evidence from empirical studies strongly suggests a positive relationship between TQM and organizational effectiveness. For instance, a study conducted by Tadesse (2021) found that organizations implementing TQM practices reported significant improvements in performance metrics, including efficiency, customer satisfaction, and employee engagement. These findings emphasize the potential benefits of TQM for the Ethiopian Federal Transport Authority, suggesting that a commitment to quality management could lead to substantial performance enhancements. Leadership plays a crucial role in cultivating a culture of quality. Effective leadership is essential for driving TQM initiatives and ensuring that all employees are aligned with the organization's quality objectives as well as leaders in public sector organizations must prioritize quality management to create an environment conducive to continuous improvement. Strong leadership championing TQM enables the Ethiopian Federal Transport Authority to elevate its performance.

The existing literature on Total Quality Management (TQM) and its impact on organizational performance reveal several limitations, particularly concerning contexts like the Ethiopian Federal Transport Authority. Firstly, much of the research is rooted in developed countries, which may not address the unique socio-economic and cultural challenges faced by organizations in Ethiopia, leading to potential misapplications of TQM principles. The public sector presents a significant gap in research on Total Quality Management (TQM) due to the influence of bureaucratic and political factors on its implementation and results. Furthermore, inconsistent definitions and measurements of TQM across various studies complicate the assessment of its effectiveness, while the predominant reliance on quantitative methods often overlooks the qualitative insights essential for understanding employee and stakeholder experiences. Moreover, many existing models are based on Western frameworks, which may not be suitable for the local context, necessitating either adaptations of these models or the development of new frameworks specific to Ethiopian organizations. The literature emphasizes Total Quality Management's immediate effects, yet comprehensive longitudinal studies examining its long-term public sector performance impact remain missing.

The Ethiopian Federal Transport Authority stands to benefit significantly from implementing Total Quality Management (TQM). By adopting a comprehensive approach to quality management, the EFTA can address existing challenges, foster customer loyalty, and contribute to the overall development of Ethiopia's transportation sector. In order to deliver important insights to inform public sector policy and planning, the current study evaluated the impact of Total Quality Management (TQM) on organizational performance at the Ethiopian Federal Transport Authority (EFTA).

1.2 STATEMENT OF THE PROBLEM

Total Quality Management (TQM) is becoming increasingly important for boosting organizational performance across various sectors, including public institutions. However, we still know little about how TQM specifically impacts the Ethiopian Federal Transport Authority. This lack of knowledge is concerning, especially as there is a growing focus on quality management practices in public service. Enhancing these practices is fundamental to elevating transportation sector efficiency and customer satisfaction (Mohammed et al., 2019).

A key aspect of TQM is customer focus, which centers on understanding and meeting the needs of customers. For the Federal Transport Authority, it's essential to explore how well the organization prioritizes customer satisfaction and how this emphasis leads to better performance. Organizations that adopt a customer-centric approach often see improved outcomes, but we still need to clarify how this focus on customers influences performance in Ethiopian public institutions (Seid et al., 2019).

Another vital component of TQM is employee management. Effectively managing human resources is crucial for creating a culture of quality and continuous improvement. Unfortunately, there is limited research on how employee management practices at the Federal Transport Authority impact overall performance. It's important to understand this relationship, as engaged and well-managed employees are more likely to enhance service delivery and operational efficiency (Fissuh et al., 2016).

Leadership plays a crucial role in successfully implementing Total Quality Management (TQM) initiatives. Strong leaders can inspire the cultural shifts needed to embrace quality management practices. However, we haven't explored how different leadership styles affect the performance of the Federal Transport Authority. By looking into how various leadership approaches shape TQM implementation and overall performance, we can gain valuable insights that could enhance the Authority's effectiveness (Abera & Assen, 2019).

Training and development are key parts of TQM. They help equip employees with the skills and knowledge necessary to excel in their roles. Yet, we still don't have a clear understanding of how training initiatives impact performance at the Federal Transport Authority. Studies show that organizations investing in employee training often see significant improvements in their performance metrics, but we need to delve deeper into what training outcomes look like in the Ethiopian context (Gonete et al., 2021).

Continuous improvement is another core principle of TQM, emphasizing the need for organizations to always seek ways to better their processes and services. However, we haven't adequately addressed how the Federal Transport Authority commits to continuous improvement practices and how these practices affect performance. Understanding how these initiatives are rolled out and their impact could provide a roadmap for enhancing service delivery in the transportation sector (Kumsa et al., 2019).

Additionally, while TQM includes various dimensions, it's important to identify which specific factors have the greatest impact on organizational performance within the Federal Transport Authority. Not all TQM dimensions contribute equally to success, so understanding these dynamics is crucial for effectively prioritizing TQM initiatives (Yitayew et al., 2019).

We also need to explore how these TQM dimensions such as customer focus, employee management, leadership, training, and continuous improvement interact with one another. The degree to which these factors work together to enhance overall performance at the Federal Transport Authority is still largely unexplored. Gaining this understanding is vital for developing

a comprehensive TQM strategy that aligns with the Authority's goals and objectives (Dagnachew et al., 2019).

Overall, the lack of empirical research on the impact of TQM on organizational performance in the Ethiopian Federal Transport Authority highlights a significant gap in our understanding. Addressing this empirical gap is critical for informing public sector quality management policies, ultimately enhancing transportation service delivery and customer satisfaction. This study therefore examines the following research questions

:

1.3 Objectives of the study

This study's main objective was analyzing how total quality management affects organizational performance at the Ethiopia federal transport authority.

1.3.1 Specific objectives of the study

- To assess the individual relationship between each TQM dimension (customer focus, employee management, leadership, training, and continuous improvement) and organizational performance at EFTA.
- To determine the combined effect of all five TQM dimensions on the overall organizational performance of the authority.
- To identify the relative significance of each TQM dimension in predicting organizational performance, thereby determining the most influential factor.

1.4 Significance of the study

This study aims to significantly enhance how Total Quality Management (TQM) practices can boost organizational performance at the Ethiopian Federal Transport Authority. It will offer valuable insights for policymakers and management, helping them identify effective TQM strategies that can lead to better quality and efficiency in service delivery. By revealing which TQM aspects most impact satisfaction, this work enables smarter strategies for sharper service

quality and citizen-responsive systems.

Moreover, the study will emphasize the importance of employee management and training, showing how these elements can create a motivated workforce and improve overall organizational outcomes. These findings deepen insight into Ethiopian public-sector TQM, serving as a practical foundation for future scholars.

Ultimately, the findings will act as a benchmark for other organizations, encouraging a culture of continuous improvement and ensuring long-term sustainability and effectiveness within the Federal Transport Authority.

1.5 Scope of the study

This research explored how Total Quality Management (TQM) impacts the organizational performance of the Federal Transport Authority. To provide a well-rounded analysis, we used a mixed-methods approach, blending both qualitative and quantitative research techniques. The focus of the study was on Addis Ababa, the capital city of Ethiopia.

We aimed to gather insights from both employees and management within the Federal Transport Authority to understand TQM practices and their effects on performance. To ensure robust data collection, we defined a suitable sample size.

Data was collected through surveys and interviews, and we analyzed it using statistical methods like regression and correlation analysis to examine the relationships between TQM factors and performance outcomes. This approach allowed us to thoroughly investigate TQM's influence in this specific context.

1.6 Limitations of the Study

One of the main limitations of this study is its focus on the Ethiopian Federal Transport Authority (FTA). This means that the findings may not be applicable to other sectors or public organizations in Ethiopia, or to similar transport authorities in different countries. Additionally, the research faced challenges related to data availability and reliability. Access to specific

internal reports, detailed performance metrics, or proprietary operational data from the FTA was somewhat limited, which may have restricted the depth of our analysis in certain areas. Since we gathered data through self-reported surveys and interviews, participant bias might influence results potentially affecting the study's validity.

The study also acknowledges certain methodological limitations. Furthermore, its scope was focused on five specific TQM dimensions, thereby not addressing other key factors like a process-oriented approach, supplier relationship management, and detailed measurement and analysis, which could offer additional insights.

1.7 Organization of the Study

The research develops in to five core chapters.

- **Chapter 1: Introduction** provides an overview of the research, outlining the research problem, objectives, and significance.
- **Chapter 2: Literature Review** delves into existing theories and studies on Total Quality Management (TQM) and its impact on organizational performance, especially in public sector organizations like the FTA.
- **Chapter 3: Methodology** explains the research design, the methods we used for data collection (surveys and interviews), and how we analyzed the data.
- **Chapter 4: Results and Discussion** presents and interprets the findings, addressing our specific research objectives.
- **Chapter 5: Conclusion and Recommendations** summarizes the key findings, discusses their implications, and offers recommendations for improving TQM practices within the FTA.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Definition of TQM

Deming (2018) defines TQM as a comprehensive approach to improving quality across all levels of an organization. He emphasizes that TQM is not just a set of tools but a continuous process of improvement involving leadership, employee participation, and systematic problem-solving to achieve long-term success and customer satisfaction.

Juran and Godfrey (2020) define TQM as a framework for improving organizational performance through the integration of quality management practices into every aspect of an organization's processes. They highlight the importance of planning, controlling, and improving quality in an organization to create long-term value for both the organization and its customers. Crosby (2021) asserts that TQM is an approach to improving quality that emphasizes the concept of "zero defects" and focuses on prevention rather than detection. His perspective highlights how crucial it is for leaders to be committed, for employees to be engaged, and for organizations to systematically eliminate defects in order to consistently deliver high-quality results.

Oakland (2020) describes Total Quality Management (TQM) as a collection of principles and practices designed to enhance customer satisfaction through ongoing improvement, employee participation, and the integration of quality management throughout all areas of a business. He indicates that cultural integration of quality principles is fundamental to achieving enduring

performance enhancements.

Evans and Lindsay (2019) further explain TQM as a systematic approach that brings together customer focus, strong leadership, active involvement from everyone, effective process management and continuous improvement . TQM's main goal is to create a culture where quality is part of everything the company does. This leads to long-term success and very happy customers.

2.1.1. Importance of TQM in organizational performance

Total Quality Management (TQM) is an all-encompassing approach to management that focuses on continuous improvement, customer satisfaction, and active employee involvement. In today's fast-paced market, TQM is essential for organizations looking to boost their performance and stay competitive. It highlights the importance of quality in every aspect of an organization, leading to greater efficiency, lower costs, and stronger customer loyalty. By nurturing a culture of quality, organizations can achieve sustainable growth and operational excellence, making TQM a vital component of overall performance (Gharakhani et al., 2013).

Implementing TQM practices has been shown to positively affect various performance metrics, such as financial success, operational efficiency, and customer satisfaction. Research indicates that organizations embracing TQM principles often see significant improvements in their overall performance, thanks to better process management and a focus on quality (Zehir, 2023). This is especially important in sectors like transportation, where service quality and reliability are crucial. By integrating TQM into their operations, organizations can better meet customer expectations and adapt to ever-changing market demands.

For the Federal Transport Authority in Ethiopia, TQM could be a game changer in enhancing organizational performance. Responsible for regulating and overseeing transportation services across the country, the authority needs to maintain a strong focus on quality and efficiency. By adopting TQM practices, the Federal Transport Authority can improve service delivery, streamline operations, and create a culture of continuous improvement among its employees. This commitment can lead to increased public trust and greater satisfaction with transportation services in Ethiopia.

Additionally, TQM fosters employee engagement and empowerment, which are key to organizational success. When employees are involved in decision-making and encouraged to contribute to quality improvement efforts, they tend to be more motivated and dedicated to their work. This can result in higher productivity and innovation within the organization (Lepistö et al., 2024). For the Federal Transport Authority, promoting a culture of employee involvement

through TQM can enhance teamwork and collaboration, ultimately leading to better service outcomes.

Successful implementation of TQM requires strong leadership and a clear strategic vision. Leaders must be dedicated to making quality a core value of the organization and must provide the necessary resources and support for TQM initiatives. In the case of the Federal Transport Authority, effective leadership can drive the adoption of TQM practices, ensuring that quality improvement efforts align with the authority's mission and goals. By prioritizing TQM, the Federal Transport Authority can enhance its operational performance and contribute to the overall development of Ethiopia's transportation sector.

2.1.2 The Effect of Total Quality Management on Organizational Performance

2.1.2.1 Definition and Principles of TQM

Total Quality Management (TQM) is a comprehensive approach to management that aims to enhance quality and performance in all areas of an organization. At its core, TQM emphasizes customer satisfaction, continuous improvement, and active employee involvement. In Ethiopia, TQM is recognized as a key factor for success, especially in sectors like manufacturing and service delivery (Abebe, 2021). By focusing on what customers need and expect, organizations can make meaningful improvements that boost satisfaction and loyalty.

One of the essential principles of TQM is continuous improvement, often referred to as "Kaizen." This concept encourages organizations to make small, incremental changes to their processes and systems to enhance quality. Research by Tesfaye (2022) shows that Ethiopian organizations embracing continuous improvement practices often see significant gains in operational efficiency. TQM also promotes a data-driven approach to decision-making, urging organizations to use statistical tools to evaluate performance and identify areas for growth (Kedir, 2020).

Employee involvement is another vital aspect of TQM. When employees are engaged in quality initiatives, it fosters a culture of teamwork and accountability. This engagement leads to higher motivation and productivity, both of which are crucial for organizational growth (Mekonnen,

2023). In Ethiopia, organizations that prioritize employee involvement in their TQM efforts tend to experience better morale and a stronger commitment to quality goals. This not only boosts individual performance but also helps create a collective culture of quality within the organization.

Lastly, effective leadership is essential for successfully implementing TQM principles. Leaders play a crucial role in promoting a culture of quality and providing the necessary resources for TQM initiatives (Assefa, 2021). In Ethiopia, strong leadership is linked to the successful adoption of TQM practices, helping organizations align their quality objectives with their broader strategic goals. By creating an environment that values quality, leaders can drive meaningful improvements and ensure that TQM efforts are sustainable.

2.1.3 Historical Context and Evolution of TQM

The concept of Total Quality Management (TQM) has come a long way since it first emerged in the early 20th century. Pioneers like W. Edwards Deming and Joseph Juran laid the foundation for quality management practices that many industries around the world have adopted and adapted. In Ethiopia, TQM principles started gaining popularity in the late 1990s as organizations looked to boost their competitiveness in a rapidly changing economy (Getachew, 2020).

The 1980s and 1990s brought a significant shift in how the world viewed quality management, leading to the creation of various quality awards and frameworks. In Ethiopia, the Ethiopian Quality Award was established in 2010 to promote TQM practices across different sectors (Hussein, 2021). This initiative encouraged organizations to prioritize quality and adopt systematic approaches to improve their operations.

As TQM evolved, it began to incorporate methodologies like Lean and Six Sigma, which focus on reducing waste and optimizing processes. More and more Ethiopian organizations have embraced these methods to enhance efficiency and quality in their operations (Tadesse, 2022). By integrating these approaches into the TQM framework, organizations can tackle specific challenges and boost their overall performance in a competitive market.

Today, TQM is recognized as a comprehensive approach that applies to various sectors in Ethiopia, including healthcare, education, and manufacturing. Its evolving nature highlights its importance in addressing the modern challenges organizations face, especially as they strive for excellence in service delivery and operational efficiency (Biruk, 2023). This adaptability is crucial for Ethiopian organizations aiming to thrive in an increasingly globalized economy.

2.2 Summary of Empirical Studies on TQM and Organizational Performance

A growing body of empirical research highlights the positive relationship between TQM practices and organizational performance in Ethiopia. Studies have shown that organizations implementing TQM principles experience improvements in various performance metrics, including quality, productivity, and customer satisfaction (Yared, 2021). For instance, research conducted in the manufacturing sector demonstrated that TQM adoption led to significant enhancements in operational efficiency and reduced production costs (Fikru, 2022).

In the service sector, TQM has been linked to improved service quality and customer satisfaction. As Semhal (2023) found that Ethiopian hotels implementing TQM practices reported higher levels of guest satisfaction and loyalty. This finding underscores the importance of quality management in service-oriented industries, where customer experience is paramount for success.

Furthermore, the role of leadership in facilitating TQM implementation has been emphasized in various studies. As Desta (2021) indicates that transformational leadership styles are essential for creating a culture of quality within organizations. Leaders who actively promote TQM principles and engage employees in quality initiatives can drive significant improvements in organizational performance.

Overall, empirical studies affirm the importance of TQM as a strategic approach to enhancing organizational performance in Ethiopia. As organizations continue to face competitive pressures, the principles of TQM provide a valuable framework for achieving operational excellence and customer satisfaction (Ayalew, 2022). By prioritizing quality management, Ethiopian organizations can enhance their performance and contribute to the broader economic

development of the country.

2.3 Key TQM Dimensions and Their Influence on Performance

2.3.1 Overview of key TQM dimensions

A comprehensive management strategy centered on customer satisfaction and ongoing improvement at all organizational levels is called total quality management, or TQM. A fundamental dimension of TQM is customer focus, which emphasizes the necessity of understanding and meeting customer needs. Organizations that prioritize customer satisfaction are more likely to build loyalty and enhance their market position. Research has indicated that companies actively engaging with customers and adapting their offerings to meet their expectations achieve higher satisfaction levels (Mulu, 2022).

Another crucial dimension is employee involvement. TQM recognizes that every employee plays a vital role in the quality management process, regardless of their position within the organization. Engaging employees in decision-making and quality initiatives not only boosts their motivation but also harnesses their insights for improved quality outcomes. Evidence suggests that organizations that empower their workforce often experience enhanced productivity and morale, leading to better overall performance (Dawit, 2023). This dimension highlights the importance of cultivating a culture of teamwork and accountability.

The process-oriented approach is also essential within TQM. This dimension focuses on identifying and optimizing organizational processes to enhance efficiency and quality. By mapping processes, pinpointing bottlenecks, and standardizing procedures, organizations can ensure consistency in their outputs. Continuous monitoring and refinement of these processes are vital for achieving superior results and minimizing waste (Zemene, 2021). A systematic approach to quality management is crucial for long-term improvements.

Continuous improvement, often referred to as "Kaizen," is another integral aspect of TQM. This principle encourages organizations to commit to ongoing efforts to enhance products, services, and processes. By adopting methodologies such as Six Sigma and Lean, organizations can

systematically identify areas for improvement and implement changes incrementally. Continuous improvement fosters a proactive approach, enabling organizations to adapt to changing market dynamics while sustaining competitive advantages (Biruk, 2023). This dimension is vital for maintaining long-term success.

The dimension of integrated business systems underscores the need for a cohesive approach to quality management across all departments. TQM promotes the integration of quality processes into the overall business strategy, ensuring that all functions work collaboratively toward shared quality objectives. This integration facilitates improved communication and data sharing, resulting in more informed decision-making and enhanced performance (Hussein, 2021). It emphasizes the interconnectedness of various organizational functions in achieving quality goals.

Finally, fact-based decision-making is a critical dimension of TQM. Organizations are encouraged to collect and analyze data to inform their quality management strategies. By relying on empirical evidence rather than intuition, organizations can make more informed predictions and decisions regarding quality improvements. This data-driven approach enhances the effectiveness of TQM initiatives and supports continuous improvement efforts (Abebe, 2022). It reinforces the importance of measurement and analysis in the pursuit of quality.

2.3.2 Overview of Key TQM Dimensions

2.3.2.1 Importance of Leadership in TQM Implementation

Leadership plays a pivotal role in the successful implementation of Total Quality Management (TQM) within organizations. Effective leaders set the vision and direction for quality initiatives, ensuring that all employees understand the importance of quality in their daily operations. They create an environment that fosters a culture of quality, where continuous improvement is not just encouraged but expected. Research indicates that strong leadership is essential for aligning organizational goals with quality objectives, which ultimately drives performance and customer satisfaction (Isolocity, 2023)

Moreover, leaders are responsible for mobilizing resources and providing the necessary support for TQM initiatives. This includes investing in training and development programs that equip

employees with the skills needed to contribute to quality improvement efforts. By demonstrating a commitment to quality through actions and resource allocation, leaders can inspire employees to take ownership of their roles in the TQM process (Kumar, 2021)

Another important aspect of leadership in TQM is the ability to communicate effectively. Leaders must articulate the vision for quality and the specific goals of TQM initiatives to all levels of the organization. Clear communication helps to eliminate confusion and ensures that everyone is on the same page regarding quality expectations. Studies have shown that organizations with strong communication practices are more likely to achieve successful TQM implementation (Dawit, 2023).

Furthermore, leaders must also be adaptable and open to change. TQM implementation often requires organizations to rethink existing processes and practices. Leaders who embrace change and encourage innovation can help their organizations navigate the complexities of TQM implementation. By fostering a mindset that views challenges as opportunities for improvement, leaders can drive a culture of continuous improvement that is essential for TQM success (Biruk, 2023).

Hence, the role of leadership in TQM extends to recognizing and rewarding employee contributions to quality initiatives. Leaders who acknowledge and celebrate successes, both big and small, can motivate employees to remain engaged in TQM efforts. This recognition not only boosts morale but also reinforces the importance of quality in the organizational culture and organizations that implement recognition programs see higher levels of employee satisfaction and commitment to quality (Abebe, 2022).

2.3.3 Employee Management and Its Role in TQM Success

Effective employee management plays a central role in the success of Total Quality Management (TQM). When employees are actively engaged in the quality management process, they're not just following standards they're part of shaping and upholding them. When people feel valued and included, they tend to take greater pride in their work and are more committed to delivering high-quality results. According to Mulu (2022), organizations that emphasize employee

involvement in quality efforts often see better performance outcomes and higher customer satisfaction.

Creating a workplace culture that promotes teamwork and collaboration is equally important for successful TQM. Ongoing training and professional development are essential to ensure that employees have the skills and knowledge they need to maintain quality standards. Investing in continuous learning not only helps employees perform better but also encourages them to spot areas for improvement and contribute meaningfully to quality enhancement. As Dawit (2023) notes, organizations that invest in their workforce tend to see stronger overall performance and a deeper commitment to quality.

In addition, management practices that promote collaboration among employees can lead to innovative thinking and more efficient processes. When teams work together toward shared quality goals, they benefit from one another's experiences and ideas, which can drive improvement across the board. Zemene (2021) found that organizations with a strong culture of teamwork are more successful in implementing TQM strategies. This kind of collaborative environment is key to achieving lasting quality improvements.

Clear and effective communication is another essential part of managing people well within a Total Quality Management (TQM) framework. For TQM to truly work, employees need to be kept in the loop understanding what's expected of them, how quality is defined, and what initiatives are underway. Open, two-way communication helps employees see where they fit into the bigger picture. Regular feedback and conversations about performance can guide them in recognizing where they're doing well and where improvements can be made. As Kumar (2021) points out, organizations that foster strong communication practices are more likely to succeed in implementing TQM.

Equally important is acknowledging the hard work employees put into maintaining and improving quality.

Recognizing and rewarding their efforts can go a long way in keeping motivation high. Whether through formal recognition programs or simple, meaningful appreciation, celebrating employee

contributions shows that their work matters. When people feel seen and valued, they're more likely to stay engaged and committed to quality goals. Research by Abebe (2022) supports this, highlighting that organizations with active recognition programs often report higher employee satisfaction and a stronger dedication to continuous improvement.

2.3.4 Synergistic Effects of TQM Dimensions on Performance

The different parts of Total Quality Management (TQM) don't just work well on their own they're even more powerful when combined. TQM brings together several important elements: focusing on customers, involving employees, improving processes, committing to continuous improvement, using integrated systems, and making decisions based on data. When these elements are aligned and work together, they create a strong foundation that can significantly improve how an organization performs. As Hussein (2021) notes, companies that take a well-rounded approach to TQM often see better efficiency and higher customer satisfaction.

One of the most impactful combinations is aligning customer focus with employee involvement. When organizations make an effort to truly understand what their customers want and at the same time involve their employees in the quality process, they build a culture that's both customer-driven and people-powered. Employees feel more connected to their work and motivated to deliver quality outcomes, which leads to happier, more loyal customers. Mulu (2022) highlights that this connection is key to staying competitive in today's fast-paced market.

Another powerful synergy comes from combining process orientation with a mindset of continuous improvement. When organizations are committed to refining their internal processes and always looking for ways to do better, they become more innovative and responsive. This approach helps them spot problems early, adapt quickly, and improve overall performance. As Biruk (2023) points out, this proactive mindset positions organizations to meet changing customer needs and stay ahead in the market. In short, when TQM dimensions work together, they create a lasting impact that strengthens both performance and competitiveness.

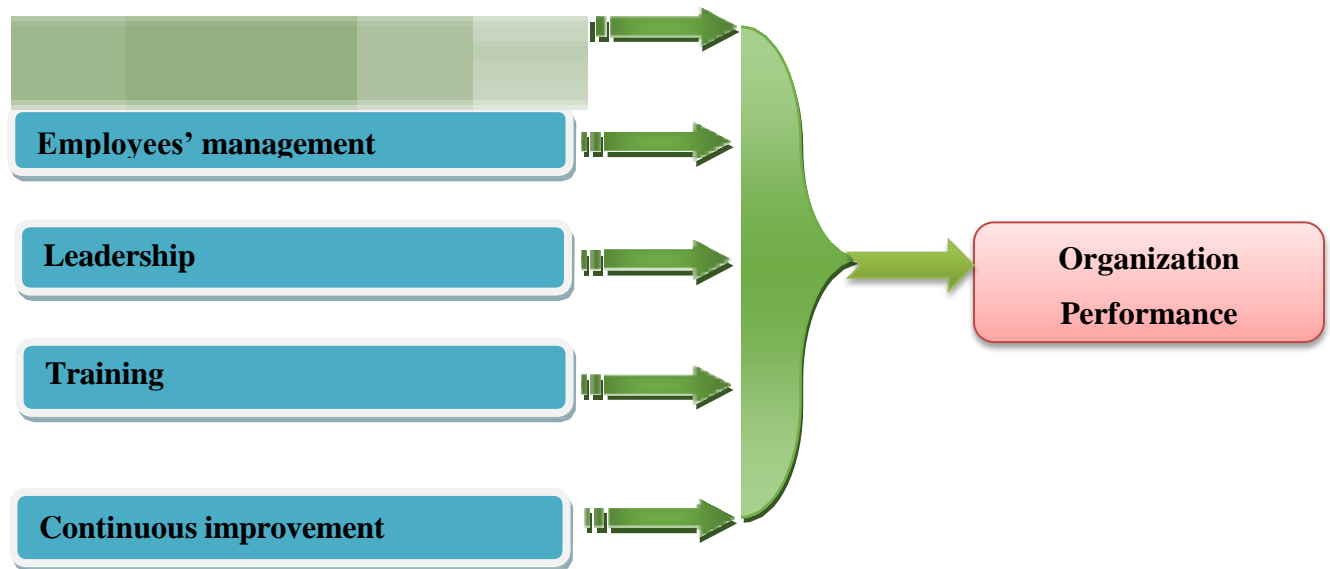
Integrated business systems are another essential piece of the Total Quality Management (TQM) puzzle. When quality practices are built into the overall business strategy, it helps ensure that all

departments are working in sync toward shared quality goals. This kind of alignment encourages better collaboration, smoother communication, and more efficient sharing of information. As a result, decisions are more informed, and performance improves across the board. As Hussein (2021) notes, having all parts of the organization connected and moving in the same direction is key to reaching quality targets.

Equally important is making decisions based on solid data. A fact-based approach gives organizations the tools they need to assess what's working, what needs improvement, and where to focus their efforts. Instead of relying on guesswork or assumptions, data helps guide smarter, more effective strategies. Abebe (2022) highlights that when organizations use evidence to shape their quality management plans, they're better equipped to make meaningful improvements. This focus on measurement and analysis not only supports ongoing progress but also reinforces a culture where continuous improvement is part of everyday work.

2.4. Conceptual framework

This study explored how Total Quality Management (TQM) influences organizational performance. To guide the research, a theoretical framework was created by reviewing existing literature on both TQM and organizational outcomes. Although many different aspects of TQM are discussed in the literature, this study focused only on the dimensions that were most relevant to its specific goals and context.



Source: Oakland, J. S. (2020). Total quality management and operational excellence:

2.5. Research Hypotheses

Hypothesis 1: Total Quality Management (TQM) has a positive overall effect on organizational performance in the Federal Transport Authority.

Hypothesis 2: Key TQM dimensions such as customer focus, employee management, leadership, training, and continuous improvement significantly influence the performance of the Federal Transport Authority.

CHAPTER THREE

3. RESEARCH METHOD AND METHODOLOGY

3.1 Research Design

This study used a mixed-methods approach both descriptive and explanatory to explore how Total Quality Management (TQM) affects organizational performance at the Ethiopian Federal Transport Authority. The descriptive part of the study offered a clear picture of the current TQM practices and how they relate to performance outcomes. The explanatory part went deeper, examining how specific TQM elements like customer focus, employee involvement, and continuous improvement connect to various performance indicators. By combining these two methods, the study was able to answer not only *what* is happening but also *how* and *why* TQM influences performance.

3.2 Research Approach

To gain a well-rounded understanding of the topic, the study integrated both quantitative and qualitative research methods. The quantitative aspect brought statistical precision, using surveys to measure TQM practices and organizational performance. On the other hand, the qualitative side through interviews and document analysis captured the lived experiences, insights, and perceptions of those directly involved. The methodological triangulation reinforced the study's robustness, as cross-verified data from diverse sources improved both the reliability and comprehensiveness of the results.

3.3 Data Sources and Types

The study drew from both primary and secondary data:

Primary Data:

- Quantitative: Structured questionnaires were used to gather numerical data on TQM practices and performance outcomes.

- Qualitative: Semi-structured interviews were conducted to gather insights from employees about their experiences with TQM.
- **Secondary Data:**
 - Relevant documents such as performance reports, TQM implementation plans, and training materials were analyzed to provide additional context and support the findings from the primary data.

3.3.1 Types of Data

- **QuantitativeData:**

Included numerical responses from questionnaires using tools like Likert scales and ratio scales to measure perceptions and outcomes related to TQM.
- **QualitativeData:**

Text-based data from interviews and document reviews provided detailed perspectives on how TQM is understood and practiced within the organization.

3.4 Population and Sample

The research focused on the entire staff of the Ethiopian Federal Transport Authority, which includes 450 employees. To ensure a diverse and representative sample, a random and purposive sampling method was used, drawing 150 participants from various departments and job levels. The sample included management, leadership, and staff directly involved in quality improvement efforts. The researcher chooses people using their job types, time worked there, and TQM training.

3.5 Data Collection Tools

3.5.1 Questionnaire

A structured questionnaire was designed using established tools from previous TQM studies. The questions were carefully selected to measure key aspects of TQM and organizational

performance. Before rolling it out, the questionnaire was pilot-tested with a small group of staff to check for clarity and relevance. Cronbach alpha coefficient was used to assess the questionnaire's internal consistency reliability.

3.5.2 Semi-Structured Interviews

An interview guide was developed based on the literature and tailored to the Ethiopian Federal Transport Authority's context. It focused on important TQM themes and allowed flexibility for participants to share their insights. . The research instrument undertake rigorous validation, including review by quality management and organizational behavior experts, followed by pilot testing to enhance question clarity and improve overall flow.

3.5.3 Document Analysis

The study made a checklist to help review documents. It listed what to look for in: Work reports, Training guides, and TQM strategy plans.

3.6 Methods of Data Analysis

The researcher was used regression analyses to examine how different aspects of TQM (like customer focus and employee involvement) are linked to performance outcomes. Statistical software such as SPSS or R supported this analysis, ensuring accuracy and efficiency. Qualitatively, findings from the document analysis such as internal reports and TQM plans were summarized and aligned with the interview data to give more context and depth.

3.7. Ethical Considerations

This study was carried out with a strong commitment to ethical responsibility and respect for all participants. Before taking part, each participant was fully informed about the purpose of the research, what it involved, and their rights including the freedom to withdraw at any time without any consequences. Informed consent was obtained to ensure that everyone participated voluntarily and with a clear understanding.

To protect participants' privacy, all responses were kept anonymous, and the data was stored securely. Participants were assured that their information would be used strictly for research purposes and would not be shared in any way that could identify them.

Every effort was made to conduct the research in a respectful and considerate manner, minimizing any potential discomfort or disruption. The findings were reported honestly, with transparency and integrity. In line with academic and ethical guidelines, approval for the study was obtained from the relevant institutional review board before any data was collected

Chapter Four

4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1. Introduction

This chapter introduces the data gathered for this study, starting with evaluations of reliability and validity. It then examines correlation and regression analyses, along with normality testing and hypothesis testing, before interpreting the research findings.

4.1 Reliability Test

Data collection took place over ten days using a questionnaire. Out of the 150 questionnaires distributed, 130 were returned, resulting in a response rate of 86.7%, which is quite sufficient for analysis. The 20 questionnaires that weren't returned were due to respondents being unable to complete them within the given timeframe.

To assess the reliability of the research instrument, we used Cronbach's Alpha, which measures how consistently the items in the questionnaire work together. This coefficient ranges from 0 to

1, with values closer to 1 indicating stronger consistency. The reliability tests in this study showed satisfactory internal consistency, with Cronbach's Alpha values between 0.728 and 0.899.

According to the guidelines provided by George and Mallery (2003), the interpretation of Cronbach's Alpha is as follows: values above 0.9 represent excellent consistency, values above 0.8 indicate good consistency, and values exceeding 0.7 are acceptable, values above 0.6 are questionable, values over 0.5 are poor, and values below 0.5 are deemed unacceptable. The Customer Focus variable achieved the highest alpha value of 0.899, signifying it as the most reliable construct. Employees Management and Leadership followed, with values of 0.834 and 0.800, respectively. Training and Continuous Improvement had values of 0.764 and 0.728. Furthermore, Organizational Performance demonstrated good reliability with an alpha value of 0.849. Overall, these results affirm the reliability of the data, indicating that the independent variables meet the required internal consistency standards.

4.2 Validity

To ensure the validity of the questionnaires, we took several important steps. First, we conducted a pilot test by distributing seven questionnaires to individuals experienced in research and evaluation. We also gathered feedback from an advisor, which led to revisions based on their insights.

4.3 Correlation Analysis

After confirming the reliability and validity, we performed a correlation analysis to examine the relationships between the independent and dependent variables, as well as to test our research hypotheses. We used the Pearson correlation coefficient to measure the linear relationship between the variables, which ranges from -1.00 to $+1.00$. A coefficient of 0 indicates no relationship, while -1.00 or $+1.00$ signifies a perfect correlation.

The relationship between organizational performance and the characteristics of Total Quality Management (TQM) was the main subject of investigation. The results revealed significant correlations among the variables. Specifically, Customer Focus, Employee Management, Leadership, Training, and Continuous Improvement showed strong to moderate relationships with organizational performance. This suggests that changes in any of the TQM dimensions are likely to impact organizational performance.

4.3.1 Customer Focus and Organizational Performance

The Pearson correlation test revealed a strong positive relationship between customer focus and organizational performance, with a coefficient of 0.687, significant at the 0.01 level.

4.3.2 Employees Management and Organizational Performance

The analysis indicated a strong correlation between employees' management and organizational performance, with a coefficient of 0.683, also significant at the 0.01 level.

4.3.3 Leadership and Organizational Performance

A positive and significant correlation was found between leadership and organizational performance, with a coefficient of 0.620 at the 0.01 level.

4.3.4 Training and Organizational Performance

A moderate positive correlation was observed between training and organizational performance, with a coefficient of 0.572, significant at the 0.01 level.

4.3.5 Continuous Improvement and Organizational Performance

The correlation between continuous improvement and organizational performance was also positive and significant, with a coefficient of 0.513 at the 0.01 level.

4.4 Regression Analysis

Regression analysis was performed to predict organizational performance based on the independent variables. This analysis assumes that the independent variables are measured on interval or ratio scales, derive from a bivariate normal population, and that error terms are normally and independently distributed.

The regression analysis produced descriptive statistics, model summaries, ANOVA results, and coefficients. The adjusted R-squared value indicated that the independent variables accounted for 74.4% of the variance in organizational performance, demonstrating the model's effectiveness in predicting the influence of TQM on performance. The ANOVA results confirmed a significant linear relationship between the variables, validating the regression model.

4.5 Multiple Regression Assumption Tests

4.5.1 Normality Test

The assessment of homoscedasticity, which refers to the consistent scatter of data, was conducted, and the Durbin-Watson test indicated no first order linear autocorrelation in the regression data.

4.5.2 Multicollinearity

Multicollinearity was assessed using the Tolerance limit and Variance Inflation Factor (VIF). The results showed no multicollinearity issues, as all Tolerance values were above 0.10 and VIF values remained below 10.

4.6 Multiple Linear Regressions

Multiple linear regressions were executed to explore the relationships between TQM dimensions and organizational performance. The analysis indicated that customer focus had the most significant impact on organizational performance, followed by employees' management, leadership, training, and continuous improvement. The regression equation demonstrated that for each unit increase in customer focus, organizational performance increased by 0.358, while increases in the other dimensions also corresponded to improvements in performance.

4.7 Hypothesis Testing

The correlation matrix indicated a positive relationship between TQM dimensions and organizational performance. Hypothesis testing involved examining the standardized coefficient values and their significance levels. The results supported all formulated hypotheses, indicating that:

- **H1:** Customer focus positively and significantly affects organizational performance ($\beta = 0.358$; $p < 0.000$).

- **H2:** Employees management positively and significantly affects organizational performance ($\beta = 0.257$; $p < 0.000$).
- **H3:** Leadership positively and significantly affects organizational performance ($\beta = 0.264$; $p < 0.000$).
- **H4:** Training positively and significantly affects organizational performance ($\beta = 0.183$; $p < 0.000$).
- **H5:** Continuous improvement positively affects organizational performance, but to a lesser extent ($\beta = 0.106$; $p < 0.000$).

4.8 Hypotheses Results

4.8.1. Effects of Total Quality Management on Organizational Performance

The findings of this study show that all the proposed hypotheses are supported. This indicates that the dimensions of Total Quality Management (TQM) evaluated in this research have a significant influence on the performance of the Ethiopian Federal Transport Authority.

The TQM dimensions examined such as customer focus, employee management, leadership, training, and continuous improvement each have a strong impact on organizational performance. Each of these areas contributes positively to the overall effectiveness and efficiency of the organization.

4.9 Discussion of Findings

The analysis of how TQM dimensions affect the performance of the Federal Transport Authority offers valuable insights. The support for all hypotheses indicates that the TQM factors explored in this research play a crucial role in determining organizational success.

- **Customer Focus:** This dimension stresses the importance of understanding and meeting customer needs, which directly correlates with improved organizational performance. By

prioritizing customer satisfaction, the Authority can enhance service delivery and build stronger loyalty.

- **Employee Management:** Effectively managing employees is key to optimizing performance. When employees are engaged and empowered, it leads to higher productivity and morale, positively impacting overall outcomes.
- **Leadership:** Strong leadership is vital for steering the organization toward its goals. Leaders who advocate for TQM principles can inspire their teams to embrace quality initiatives, resulting in better performance.
- **Training:** Ongoing training and development provide employees with the skills and knowledge they need to perform effectively. This investment in human capital translates into improved service quality and operational efficiency.
- **Continuous Improvement:** Fostering a culture of continuous improvement encourages organizations to regularly evaluate and enhance their processes. This proactive mindset leads to sustained performance improvements over time.

In conclusion, the findings underscore the importance of integrating TQM dimensions into the operational framework of the Ethiopian Federal Transport Authority. By focusing on these key areas, the organization can enhance its performance and effectively achieve its strategic goals.

Additionally, the study found a strong correlation between the Federal Transport Authority's organizational effectiveness and customer focus. This aligns with the findings of Asenge and Adudu (2019), which looked at the impact of TQM practices on the performance of deposit money banks in Nigeria, confirming that customer focus significantly influences organizational performance. Similarly, Al-Shobaki (2010) showed a strong link between customer focus and organizational performance.

Additionally, the study discovered a favorable relationship between Federal Transport Authority performance and personnel management. This aligns with Avia (2019), who examined the impact of TQM in public services and discovered that TQM can significantly enhance service quality and performance, even though implementing it in the public sector can be more challenging than in the private sector. Otunga (2007) emphasized the importance of involving

employees in organizational matters, while Al-Shobaki et al. (2010) noted that effective employee management within TQM practices boosts productivity. Additionally, Goetsch and Davis (2010) highlighted that keeping employees engaged with customers is crucial for fostering a customer-focused approach, which positively impacts overall corporate performance.

The results also showed that leadership and commitment from top management significantly influence the organizational performance of the Ethiopian Road Transport Authority. This finding is in line with research by Asenge et al. (2019), which confirmed the positive effect of leadership on corporate performance.

Regarding the fourth specific objective of this research, the findings established a strong positive relationship between training and organizational performance. This is consistent with studies by Abdallah and Matsui (2011) and Jayaram and Xu (2012), which also found a positive correlation between training initiatives and performance of the organization.

The Ethiopian Federal Transport Authority's performance is positively and significantly impacted by constant improvement, according to the study. This finding is backed by Jaafreh and Al-Abedallat (2013), who noted that continuous improvement enhances organizational performance by boosting output quality and cutting unnecessary costs. Vits and Gelders (2002) also emphasized that continuous improvement should be a central part of an organization's learning and training processes, arguing that effective management initiatives in this area can significantly benefit organizational performance. Similarly, Talib et al. (2013) found a strong positive effect of continuous improvement on overall performance. This is consistent with Abusa (2013), who demonstrated that the continuous improvement aspect of TQM significantly affects performance in the Pakistani industrial sector.

In summary, the key variables identified customer focus, employee management; leadership, training, and continuous improvement have a substantial impact on organizational performance. The relationship can be expressed mathematically as follows:

$$OP=0.426+0.358(CF)+0.257(EM)+0.264(L)+0.183(T)+0.106(CI)+0.175(\text{average error})\text{\text{OP}} \\ \text{\text{}} = 0.426 + 0.358(\text{\text{CF}}) + 0.257(\text{\text{EM}}) + 0.264(\text{\text{L}}) + 0.183(\text{\text{T}}) +$$

$$OP = 0.426 + 0.358(CF) + 0.257(EM) + 0.264(L) + 0.183(T) + 0.106(CI) + 0.175(\text{average error})$$

From the regression coefficients, it's clear that customer focus has the strongest influence on organizational performance, with a coefficient of 0.358, followed by leadership at 0.264. While employee management (0.257), training (0.183), and continuous improvement (0.106) also show significant effects, they are smaller compared to the top two variables. Therefore, we can conclude that customer focus is the most impactful TQM dimension influencing organizational performance, with leadership closely behind, and the other dimensions providing essential support.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

This final section of the study encompasses key subsections, including a summary of the research, conclusions drawn from the findings, recommendations for practice, and suggestions for future research.

5.1 Summary

This study's main goal was to look into how the dimensions of Total Quality Management (TQM) affect the performance of organizations. A descriptive and explanatory research design was employed, utilizing a quantitative research approach. The sample comprised employees from the Federal Transport Authority, with a total population of 450 employees from which 150 were selected as respondents. The research was conducted in Addis Ababa.

The study focused on five key constructs: customer focus, employee management, leadership, training, and continuous improvement. Based on these constructs, the following hypotheses were formulated and tested:

- H1: Customer focus and organizational performance are positively and significantly correlated.
- H2: The performances of the organization and employee management are positively and significantly correlated.
- H3: Leadership has a positive and significant effect on organizational performance.
- H4: Training has a positive and significant effect on organizational performance.
- H5: There is a positive and significant relationship between continuous improvement and organizational performance.

As discussed in the analysis section, all hypotheses were supported by the research findings. The influence of TQM dimensions on organizational performance has been clearly established in the previous chapter. In this section, the findings are presented in a summarized and informative manner.

Respondents were asked to evaluate the impact of the five TQM dimensions on organizational performance. Prior to analysis, the reliability of the questionnaire was tested, yielding a Cronbach's alpha coefficient of over 80%, indicating high reliability. Since all dimensions exceeded the acceptable threshold of 70%, they were deemed suitable for further analysis.

The relationships between the independent variables (TQM dimensions) and the dependent variable (organizational performance) were examined through correlation and regression analyses. The results of the correlation analysis revealed the following relationships:

- Customer Focus and Organizational Performance: A strong positive correlation was found ($r = 0.687^{**}$).
- Employee Management and Organizational Performance: A strong correlation was also observed ($r = 0.683^{**}$).
- Leadership and Organizational Performance: There was a strong relationship noted ($r = 0.620^{**}$).
- Training and Organizational Performance: The analysis indicated a moderate positive correlation, although specific values are not provided in the excerpt.

These findings collectively underscore the significant impact of TQM dimensions on enhancing organizational performance within the Federal Transport Authority.

Similarly, one of the TQM dimension, continuous improvement and organization performance are correlated with moderate relationship ($r = 0.572^{**}$).

- **Continuous improvement and organization performance**

Finally, the construct continuous improvement and organization performance have a moderate relationship ($r = 0.513^{**}$).

In addition to assessing the degree of association between the variables, the five constructs were analyzed for their collective explanatory power regarding organizational performance using multiple regression analysis. Prior to conducting the regression analysis, the researcher tested the independent variables for multicollinearity. According to the Variance Inflation Factor (VIF) results, all variables had correlation coefficients below 10, indicating that multicollinearity is not present in the data.

This research thoroughly examines the factors influencing organizational performance. The strength of the relationships between Total Quality Management (TQM) dimensions and organizational performance was identified. Key factors, which are commonly highlighted in the literature, include customer focus, employee management, leadership, training, and continuous improvement. Among these, customer focus emerged as central to organizational performance.

Customer focus was determined to be the strongest predictor of organizational performance in this study. Thus, it plays a crucial role in forecasting organizational success; the findings suggest that organizational performance can be largely explained by customer focus, followed by leadership, employee management, training, and continuous improvement, respectively.

The results of the multiple regression analysis, as detailed in the previous chapter, indicate that all independent variables contribute to explaining the dependent variable to varying extents. Specifically, the multiple regression analysis revealed the following:

- Together, the five constructs account for 74.4% of the variance in organizational performance.
- The individual contributions of the constructs to organizational performance are as follows: customer focus (0.358), leadership (0.264), employee management (0.257), training (0.183), and continuous improvement (0.106).

5.2 Conclusions

This study looked into how the Federal Transport Authority's organizational performance was affected by the aspects of total quality management. Focusing on customer focus, employee management, leadership, training, and continuous improvement as key determinants of performance.

Based on the empirical findings, it can be concluded that TQM dimensions positively and significantly affect organizational performance, with the identified determinants playing a crucial role.

Therefore, the research findings lead to the following conclusions:

- All independent variables analyzed in this study have positive and significant associations with organizational performance, with customer focus being the most influential factor.
- Leadership is the next most significant predictor of organizational performance, followed by employee management, training, and continuous improvement.

5.3 Recommendations

Having dealt with the subject of TQM concept primary from different authors' perspectives and then from the findings of primary data source obtained from Ethiopian Federal Transport Authority, the study made the following recommendations:

- In Ethiopia the issue of TQM practices was found to low in all the system of belief including business performance leadership, customer satisfaction, and impact on society. Among these organizational performance is the most critical problem that must be addressed so as to utilize the benefits of TQM. Comparatively, a TQM practice of the service sector is weaker than the manufacturing sector as evaluated by all the quality measurement criteria. Therefore, the TQM implementers, particularly the government body should give special consideration to the service sector quality to the expected level so that the organization performance will be improved drastically. However, both

manufacturing and service sector should be supported with a long term strategy to promote the quality standard and address the root causes of weak quality management practice.

- Service giving companies generally and the public sector specifically should adopt customer focus as a practice of TQM with the aim of enhancing organizational performance through customer satisfaction. They must understand the current and future needs, and achieve their needs, and work to exceed their expectations. This is can be done by conducting research and working all the needs and expectations of customers.
- The organizations, especially Ethiopian Federal transport authority should participate employees in decision making and give them recognition for better performance. Most importantly they should lead them using paternalistic leadership approach Treating employees as a valuable resource increases their loyalty to the firm, motivates them and makes them proud of their jobs, improves their work-related performances, decreases absenteeism, and reduces intentions to quit.
- Should work greatly creation of a good leader who can build up a clear mission statement and then develop strategies to realize the reason for the establishment.
- Provide trainings to employees for using new technology. Allocating firm resources to training on quality pays off as professional employees know concepts of quality, basic characteristics of their industry, and the structure and processes of the organization. Educated employees will increase quality, reliability, and timely delivery of the services. With effective training, employees can easily know the industry and the structure of the organization better. Effective training on quality also increases employees' skills to work effectively and efficiently. Furthermore, it will improve employees' loyalty to the firm, their motivation, and work-related performances. Employees' training on delivering high quality and reliable services reduces customer complaints
- Organizations in the public sector should embrace continuous improvement as a quality management strategy for excellent organizational performance and they should Continuously Improve their customer service delivery without fail so that the organization performance will be improved as needed.

5.4 Future Research Directions

As a result constraints for example financial and time resource, the study has limited to Federal transport authority However, there are other service providing institutions in the government service sector. Therefore, other researchers are recommended to include and conduct a research on those other governmental organizations.

Furthermore, this research is limited itself only on the five variables namely: Customer focus, employees management, leadership, training and continuous improvement. Nevertheless, there might be other factors. Hence, other researchers are recommended to include other factors which are not covered in this study.

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Appendix 1

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

Questionnaire

Dear respondent, I would like to thank you for taking your time to fill the questionnaire. The purpose of this research is to study **the effects of total quality management on organization performance in the case of Federal Transport Authority**. This survey is designed as part of my work for a Master of Science in International Business at Addis Ababa University. All the information will be kept confidential and used **strictly** for academic purposes only.

CASE No: _____

Instruction

Please, mark using (☑) selection method based on your convenience in the appropriate box for your choice. Please, also make sure that your choice is visible.

Part I. General Information

1. How old are you? 31-40 Above 50
 18-25
 26-30 41-50

2. What is your maximum education level?

- Diploma Doctoral
 Degree Professor
 Masters Other

3. What is your gender?

- Male
 Female

4. How long have you been working in the organization or total work experience? (Years)

- 1-5 11-15 Above 20
 6-10 16-20

Part II: The Effect of Total Quality Management on Organization Performance

Please answer each statement below by putting a circle around the number or mark ((☑), (⊗), or (☐)) that best reflects your degree of agreement or disagreement with each statement.

Key:

1 = SD-: Strongly Disagree, 2 = D: Disagree, 3 = N: Neutral, 4 = A: Agree, 5=SA: Strongly Agree,

1.	Customer Focus	SD	D	N	A	SA
1.1	The Federal transport Authority has the capacity to satisfy customer needs and wants					
1.2	The transport Authority services meet the customer's					

	specific needs					
1.3	The Federal transport authority has embarked on a continuous improvement process to meet customers' Needs					
1.4	The company gives priority for customers					
1.5	The Authority values internal customers					
1.6	The Authority values external customers					
1.7	The company designs policy in consideration of Customers					
1.8	Strategies and plans are developed and implemented based on the information about customers' Requirements and the company's capacities.					
2.	Employees Management	SD	D	N	A	SA

2.1	The human resources management is done in line with the business strategy and/or plans					
2.2	Management is qualified in quality principles.					
2.3	Employees are qualified in team work					
2.4	The experience and capacity building of people are adjusted to current and future needs, or according to the case, specific capacity building plans are Developed					
2.5	People are encouraged and supported to take responsibilities and make decisions, with no risk to the organization, get involved in improvement activities, work in teams, etc.					
2.6	The communication amongst the whole staff is down-up, up-down, and horizontal, so that employees are considered to be well informed, and their opinions are					
	Valued.					
3.	Leadership	SD	D	N	A	SA
3.1	Employees are stimulated to help implementing changes in the organization.					
3.2	Managers and supervisors motivate their employees and help them performing a high level work.					
3.3	Management recognizes the efforts and improvements attained by the staff					

3.4	Managers keep in contact with customers, suppliers, and this implies the encouragement and participation in alliances and improvement actions					
3.5	Managers identify and stimulate changes that should be carried out to improve, and their effectiveness is reviewed once implemented					
4	Training	SD	D	N	A	SA
4.1	All company's employees are trained in the total quality concepts					
4.2	Employees are qualified to develop team work					
4.3	Availability of resources for staff capacity building within the organization					
4.4	High management has created an environment that helps the continuous education					
5.	Continuous improvement	SD	D	N	A	SA
5.1	Information is managed to support the quality improvement (analysis of business information, costs and financial aspects to support the development of improvement priorities)					
5.2	The organization has developed and published a clear corporate mission, beliefs and objectives					
5.3	Use of customers' requirements as the base for					

	Quality					
5.4	Managers and supervisors support the activities that improve the customers' satisfaction.					

Part III- Organization performance related questions

Please, also indicate your agreement or disagreement level for the next statements, using the same method of selection as the previous section.

	Organization Performance					
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6.1	There is improved service delivery in the company.					
6.2	There is improved inventory management in the organization.					
6.3	The organization's quality service delivery is enhanced					
6.4	There is Waste reduction in operations					
6.5	There is Improved employee operation efficiency thus reducing operation costs					

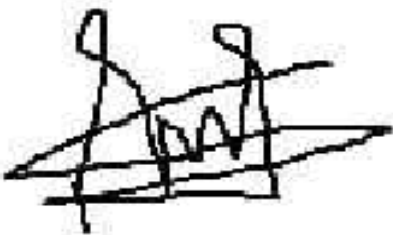
Thanks for your kind cooperation

A handwritten signature in black ink, featuring a prominent horizontal line at the top and several loops and flourishes below.

Dr. Yohannes Workeaferahu (Advisor)

A handwritten signature in black ink, written in a cursive style with a long vertical stroke on the left side.

Dr. Yared Asrat (Internal Examiner)

A handwritten signature in black ink, characterized by a series of sharp, angular strokes and a horizontal line at the bottom.

Dr. Yirgalem Tadesse (External Examiner)