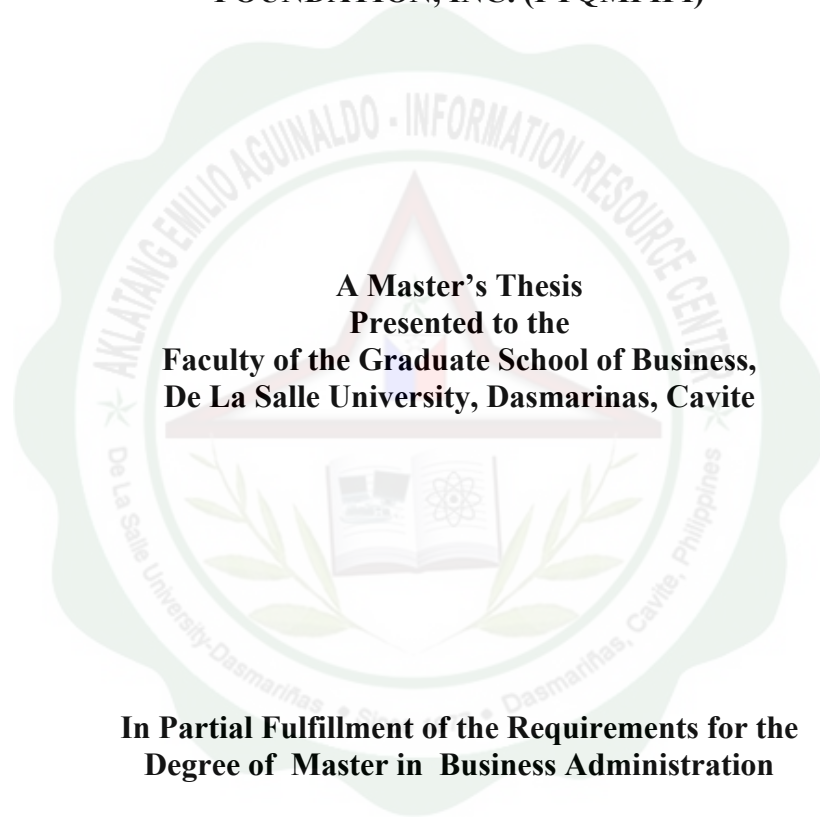


**AN ASSESSMENT OF TOTAL QUALITY MANAGEMENT (TQM)
PROGRAM IMPLEMENTATION OF SMALL MANUFACTURING
INDUSTRIES UNDER THE PHILIPPINE TOTAL QUALITY
MANAGEMENT PROMOTION AND INTEGRATION
FOUNDATION, INC. (PTQMPIFI)**



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ABSTRACT

This research was conducted in order to assess the TQM program implementation in the operations of selected small-scale manufacturing industries under the Philippine TQM Promotion and Integration Foundation, Inc. (PTQMPIFI). In this study the extent of practice of TQM was assessed and the effects of TQM elements on the performance of the company were analyzed.

Degree of importance and level of knowledge of TQM elements were evaluated initially. Mean scores obtained show that the most important elements in the perception of the respondents were: Top Management Commitment, Strategic Quality Planning, Human Resource Management, Quality and Information Management, Customer Focus and Employee Education and Training. At the same time, mean scores obtained show that the companies have deep knowledge in all elements except for Strategic Quality Planning, Benchmarking, Human Resource Management and Supplier Quality Management, where the level of knowledge was described as having an increasing knowledge. For TQM elements with low level of knowledge, the management may have to review the strategies under these elements for more efficient implementation.

Wilcoxon Signed Rank test was conducted to compare the ranks of degree of importance and level of knowledge. Results show that there is no significant relationship between these two variables. That is, a manager may perceive a TQM

element as very important but may not know this element to a great degree because they lack orientation and training on this element. On the other hand, there are elements which are not critical or important and yet are being practiced.

After three years of implementation of TQM, mean scores show that productivity was rated as having an average attainment only as compared to the other performance indicators. The rest have scores corresponding to the description, with moderate to high attainment. This means that TQM has improved the performance of the companies to a degree slightly higher than average in terms of sales performance, quality performance, organizational performance and business performance.

The over-all mean score for performance shows that there is moderate to high attainment in performance. This indicates that TQM contributed to system effectiveness and continuous improvement.

Results show that level of TQM practice of the companies varies from one element to another. Based on final regression analysis, the practice of the elements Continuous Improvement and Supplier Quality Management were statistically found to have positive significant effects on productivity. Quality performance, on the other hand was affected significantly by Continuous Improvement, Supplier Quality Management and Process Management and Control. Continuous Improvement has positive significant effects on Sales performance and

Organizational performance. For business performance, the elements Supplier Quality Management and Continuous Improvement have significantly affected business performance positively.

Statistical analysis shows that some elements have negative significant effects on performance. Top Management Commitment, Work Organization and Control and Customer Focus, separately, were statistically found to have a decreasing effect on productivity, quality performance and business performance. These elements may need to be reviewed by implementers in order to improve company performance.

Based on the analyses conducted, the validated TQM elements as far as small scale manufacturing industries are concerned, are Continuous Improvement, Supplier Quality Management and Process Management and Control. These elements involve the most beneficial strategies such as getting customer feedback (internally and externally), employment of Kaizen or improvement of processes quality monitoring and control, and proper selection of suppliers, among others.

The other elements namely, Top Management Commitment, Strategic Quality Planning, Human Resource Management, Customer Focus and Employee Education and Training, which were perceived as important are critical elements

which need to be reevaluated and may need a company-wide quality improvement to enhance performance of the companies.

For those elements which have significant contributions to performance, the management may have to look at the positive contributions made by the elements Continuous Improvement, Process Management and Control and Supplier Quality Management, and look for ways to raise the level of practice to a higher level in order to maintain this ideal situation.

A Quality Council must be created by each of the concerned small manufacturing companies who will monitor closely the implementation and monitoring of the TQM program. Furthermore, the companies under PTQMPIFI must be audited regularly by the training agency, so that there will be no lapses in the implementation of TQM principles. The writer believes that focusing initially on the most important TQM elements may give better results to performance which can help the small manufacturing industries, especially the small entrepreneurs, propel their businesses.