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Assessment of Total Management (TQM) and Customer Satisfaction in Cadbury Nigeria PLC, Lagos, Nigeria

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Abstract
The study assessed Total Quality Management (TQM) and organizational performance in fast moving consumer goods firms. The measures of organizational performance were premised on customers' satisfaction and customers' relationship management. The survey research design was employed in the study questionnaire instrument was used for collecting data. The interview method was also adopted in order to validate responses from the questionnaire administered on 300 respondents. The data collected were analyzed by the use of frequency tables, percentages and ordinary least square. The findings from the study showed that there is a significant relationship (β=0.65, t=41.311, p=0.000) between total quality management and customer satisfaction. The findings also indicate that total quality management (β=0.52, t=21.412, p=0.000) is a driver of financial performance. The study recommends that fast moving consumer goods firms should improve their processes, products, services, and the culture in which they work in other to satisfy their customers and improve their financial performance.

Keywords: Management, Organization, Performance, Total Quality

1. Introduction

Total Quality Management (TQM) philosophy is a wide approach aimed at achieving long-term success with a strong focus in customer satisfaction. Total Quality Management depends on the participation of all members of an organization to improve processes, products, services and their work culture. It is also the management of total quality. It is called total because it tries to achieve quality in satisfying the needs of a shareholder, the quality of products and services to satisfy or exceed the customers' needs and quality of not only the professional but also the personal life of the members of the organization (Ugboro & Obeng 2000).

The quest to deliver quality services hi Nigerian organizations requires organizations to continually update their services, so as to meet up with the demands of customers and remain competitive. While the old organisations which are regarded in this research as non-TQM needs to update their service insulation by bench marking their service, with that of TQM organizations, this can only be supported with an ideology which is focused on satisfying customers demand and which allows for continuous improvement. The TQM organization on the other hand, will have to continue to improve their service by looking at what obtains in other part of the world in order to meet or surpass customers' expectations (Dean & Bowen, 2004)

The use of a strategic approach to quality management by organizations will therefore improve their competitiveness (Ghobadian, 2002). This approach ensures that organization remains customer focused. The TQM, enables innovativeness as it empowers employees to take decisions that affects their job. For the organization to be innovative in its offspring, it requires a flexible structure which permits co-operation between different functions. The implementation of TQM involves the buying of different units involved in the process of service delivery into the ideology and practice of quality management, which should be championed by the leadership of the organization. That is, the support and primary activities of service and delivery must include quality in their activities (Dimitrades, 2000)

The problem here is: are customers really enjoying the services offered by the manufacturing companies Related to this problem, empirical evidence implies that customers' patronage for and reaction to a particular product depends on their level of understanding of what the product can do and its benefits. In this regard, it is relevant to find out the perception of total Quality Management (TQM) by customers. The reason customer satisfaction improvement efforts often fall short of their objectives can vary significantly depending on the organization, market dynamics, expectations of the customer base, structure of the improvement efforts, and other causes. However, when comparing the effectiveness of TQM effort seen in leading organizations to companies whose efforts yield not significant improvement, some common, systemic differences become apparent.

Objectives of the Study:

i. To examine the effect of Total Quality Management and customers relationship management

ii. To evaluate the effect between Total Quality Management and customers satisfaction

In order to achieve the objective of this research work, the following

hypotheses are formulated below:

i. $H0_1$: Total Quality Management does not significantly affect customers relationship management

ii. $H0_2$: Total Quality Management does not significantly improve customers satisfaction

The study covers the headquarter of Cadbury Nigeria Plc, Lagos, Nigeria. The choice of the firm is predicated on the fact that sells branded fast moving consumer goods to the Nigerian market and exports to other Sub Sahara Africa (Palmer, 2006). Hence, it is believed that is operations are in line with international best practices as it relates to total quality management.

2. Literature Review

2.1 Conceptual Review

Quality is a significant element of production in keeping the customers satisfied. There are different definitions and competing views of the term quality by different people and the common element of the business definition is that the quality of a product or service refers to the perception of the degree to which the product or service meets the customers expectations. Crosby (2001) defines quality as the conformance to requirements or specifications and also suggested that to manage quality adequately, it must be able to be measured. Quality is also defined as the degree to which a set of inherent characteristics fulfill requirements (Vorley & Tickle, 2001).

The American Society of Quality sees quality as being subjective, with different individuals having their own perception of it. To them, quality can be seen as having two meanings the characteristics of the product or service ability to satisfy a particular need or a product or service devoid of faults. It can be defined as a state of conformance to valid requirements where valid requirement are defined as conditions that meets the needs of customers, measurable and achievable. Peters (2005) defined quality as a 'magic bullet' which provides lower cost, higher customer service, better products and higher margins. He also explained that 'quality is in the eyes of the beholder', this mean it is what the customer say it

Kendo (2007) defines quality as a source of employee's empowerment. To him, a major aim of a company is to make itself attractive to its employees and customers while making profits for its shareholders. George Bernard cited in Stebbing (2002) notes that two forms of qualities exist in the world, efficiency and inefficiency. To him, efficiency is what every senior manager should strive to achieve and the efficiency in service is what the customers expect to get. He explained that organizations are inefficient because of the inadequate trainings given to employees by the employers or

the assignment of task to unqualified workers. Whichever way quality is defined, it is viewed as part of an organizational culture; this should be inclusive of all different facets of production. The definition of the concept of Total Quality Management is multifarious, but from whatever angle it is defined, it is about providing customer satisfaction which is the main objective of quality management. Stalh (2005) explains the concept as "a system approach to management that aims to enhance value to customers by designing and continually improving organizational processes and systems". Rhoades, (1999) defined TQM as "a people focus management system that aims at continual increase in customer satisfaction at continual cost. TQM is concerned with managing the entire system and not only a subsystem or functional departments. In this sense, "processes" are groups of activities that take inputs, add value to it, and provide an output to internal and external customers. "Systems" are collections of processes and resources.

2.2 Empirical Evidence

The benefits of an effective Total Quality Management implementation can be studied with three different angles. Firstly, from the operating angle, the reason that Total Quality Management has become an attractive topic in both industry and academia is that it can be applied to improve/enhance global competitiveness (Juran & Gryna, 2001). According to Jablonski (2002), total quality management implementation can accomplish the internal benefits such as improving quality, enhancing productivity enhancement, or realizing better operating income. Secondly, from the financial performance angle, careful design and implementation of consistent and documented quality management systems can contribute significantly to superior financial performance (Juran & Gryna, 2001). Kendo (2007) stated that effective Total Quality Management system can contribute significantly to superior financial performance. Finally, from the angle of knowledge management, the implementation of Total Quality Management can increase and enhance organizational Knowledge, which in turn helps more understanding of how quality management practices can affect firm performance (Lockwood, Baker & Ghillyer, 2006).

Recent studies have examined the relationship between total quality management and various level of business performance. Although many results of prior studies supported the positive effects of TQM on organizational performance (Lockwood et al., 2006), there were several researches which concluded that the implementation of TQM might lead to ineffectiveness of firm performance (Cross & Leonard, 2004). Kaynak (2003)

indicated that the results of these aforementioned studies have different outcomes probably .due to the nature of research designs such as using TQM practices or business performance as a single construct.

Several studies have investigated the relationship between TQM and firm performance. For instance, Androwis et al. (2018) indicated that quality improvement had positive effects on improving a firm's financial and market performance. However, as the effects of Total Quality Management have different impacts on internal quality and external quality, Total Quality Management implementation that directly and positively improves firm's operating performance by Increasing quality performance (Kaynak 2003), has indirect effects on increasing customer satisfaction as well market share. It is further noted that quality management can improve operating efficiency by reducing defect rate, and the. occurrence or rework. The improvement of operating efficiency will improve customer's ; satisfaction and eventually the company's financial performance. In addition, the improvement of: customers 'satisfaction and loyalty may sustain or enlarge market share, which can be eventually {transformed into better firm's financial performance (Alamdari,, 1999).

2.3 Theoretical Framework

The theory underpinning this study is European Foundation Quality Model (EFQM). According to Dubas and Nijhawan (2005), the European Foundation Quality Model (EFQM) Excellence Model **i**s a non-prescriptive framework based on nine criteria. Five of these are 'Enablers' and four are 'Results'. The Enabler criteria cover what an organization does. The Results criteria cover what an organization achieves. Results are caused by Enablers and feedbacks from Results help to improve Enablers. It contains a set of nine weighted criteria that are utilized in the assessment process. The Model is based on the premise that: Excellent results with respect to Performance, Customers, People and Society are achieved through Leadership driving Policy and Strategy, that is delivered through People Partnerships and Resources, and Processes (Sekaran, 2003).

The EFQM model is based on the idea that customer satisfaction, people satisfaction and impact on the society are achieved through the leadership driven policy and strategy, people management, resources and processes, leading ultimately to business results. Organisations that are characterized by a relatively high degree of customer and employee satisfaction are believed to have a positive effect on society, will excel and achieve business results (Porter & Tanner, 2006). This is based on the fact that results are achieved through key processes which are funded and supported by

skilled people with a clear direction. For an organization to achieve results, it must have an able executive leadership which drives the enablers of business success. Quality Management

According to Hellsten and Klefsjo (2000), TQM is a management system which consist of interdependent unit namely core values, techniques such as process management, benchmarking customer focused planning or improvement teams and tools such as control charts. Dahlgaurd, Kristensen and Kanji (2001) see TQM as a corporate culture that is characterized by increased customer satisfaction through continuous improvement involving all employees in the organization. Oakland (2005), noted that 'for an organization to be truly effective each part of it must work [properly together towards the same goal, recognizing that each person and each activity affects and in turn is affected by each other. The methods and techniques used in TQM can be applied throughout any organization.

Table 1: The Stages of Quality management and Characteristics

Total Quality Management	Policy deployment Involves suppliers and customers Involve all operations Process management Performance measurement Team work Employee involvement
Quality Assurance	Quality system development Advanced quality planning Comprehensive quality manuals Use of quality cost Involvement of non production operation Failure mode and effect analysis
Quality Control	Develop quality manuals Process performance data Self inspection Product testing Basic quality planning Uses of basic statics Paper work control
Inspection	Salvage Sorting, grading and re-blending Corrective actions Identify source of non conformance

Source: Adapted from Dale, Boaden and Lascelles (2004a)

Dale et al. (2004b) identify six different levels of TQM implementation, these includes uncommitted, drifters, tool pushers, improvers5 award winners and world class. According to them, these stages do not necessarily represent the stages through which organizations pass on their TQM journey. These levels, according to them are to help organization in identifying their weaknesses and proffering solutions to them through the use of continuous improvement. The stages are explained below:

3. Materials and Methods

The survey research design was employed in the study. The total population of Cadbury Nigerian Plc staff members as at 31 December 2020 is 562. Using the Taro Yamane online sample size estimator at 95% confidence interval and 5% margin of error, the total sample size for the study was 234. 117 sample size (50% of the estimated sample size) was added to the samples size in order to capture the non response rate. Hence the total sample size was 352. The data used for the study were collected using questionnaire designed and developed by the researcher. Three hundred questionnaires (300) were returned and considered useable for analysis. The questionnaire consists of two parts: Section A deals with the personal data of the staff while section B presented questions to be answered by the respondents and or customers. In order to ensure the finding of this research the Cronbach Alpha was used to test the reliability of questions. The result from the validity test shows Cronbach Alpha to be between the range of 0,743 and 0.82 on the average of all the variables considered which is above the required 0.7 mark, This is an acceptable level according to Sekeran (2003).

4. Data Analysis

Table 2: Gender of the Respondents

Respondents	Frequency	Percent
Male	198	66
Female	102	34
Total	300	100

Source: Field Survey, 2021

The above table shows the gender distribution of the respondents. 66 percent of the respondents are male while 34 percent of the respondents are female.

Table 3: Ages of Respondents

Respondents	Frequency	Percent
25-35	120	40
36-45	90	30
46-55	72	24
56 and above	18	6
Total	300	100

Source: Field Survey, 2021

The above table shows that, 40 percent of the respondents are in the age bracket 25 - 35, 30 percent are in the age range 36-45, 24 percent of the respondents are in age bracket 46 - 55 while 6 percent of the respondents are in the age bracket 56 and above.

Table 4: Educational Qualification

Respondents	Frequency	Percent
OND/NCE	78	26
HND/BS.C	162	54
M.SC/PGD	54	18
P.hD	6	2
Total	300	100

Source: Field Survey, 2021

The table above shows that 26 percent of the respondents had OND/NCE certificate, 54 percent of the respondents had HND/B.SC degrees, 18 percent of the respondents had M.Sc/PGD degrees while 2 percent of the respondents had P.hD.

Table 5: Marital Status of the Respondents

Respondents	Frequency	Percent
Single	126	42
Married	174	58
Total	300	100

Source: Field Survey, 2021

From the above table, 42 percent of the respondents are single while 58 percent are married.

H01: there is no significant relationship between Total Quality Management and customers relationship management

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.653[a]	.426	.417	.015806
a. Predictors: (Constant), TQM				

Source: Field Survey, 2021

The analysis results model shows a goodness of fit as indicated by the coefficient of determination R^2 with value of .426. This implies that total quality management accounts for 42.6%% of the variations in customers relationship management. 57.4% of variations are brought about by factor not captured in the objectives. The results (R=.653) shows that there is a significant relationship between total quality management and customers relationship management.

Table 7: Coefficients

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.669	.319		14.616	.000
	Exposure	.627	.015	.653	41.311	.000

a. Dependent Variable: CRM

Source: Field Survey, 2021

The t-statistics value reveals that total quality management (ß=.627 t=41.311, p=0.000) is a significant driver of customers relationship management. Hence the null hypothesis is rejected and the alternative accepted that total quality management significant affects customers relationship management.

H02: Total Quality Management does not significantly improve customers satisfaction

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.528[a]	.279	.263	1.13221

a. Predictors: (Constant), TQM

Source: Field Survey, 2021

The analysis results model shows a goodness of fit as indicated by the coefficient of determination R2 with value of .279. This implies that total quality management accounts for 27.9% of the variations in customers relationship management. 72.1% of variations are brought about by factor not captured in the objectives. The results (R=.528) shows that there is a significant relationship between total quality management and customers customers satisfaction.

Table 9: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.711	.280		13.274	.000
	RModelling	.193	.024	.528	21.412	.000

a. Dependent Variable: Customer satisfaction

Source: Field Survey, 2021

The t-statistics value reveals that total quality management ($\beta=0.52$, $t=21.412$, $p=0.000$) is a significant driver of customers satisfaction. Hence the null hypothesis is rejected and the alternative accepted that total quality management significant affects customers relationship management

4.1 Discussion of the Findings

Total Quality Management which is about total customer service and continuous customer satisfaction is applicable not only in the manufacturing industry but in the service sector as well, where the customer is just as important. In fact, customers in the service industry are more sensitive to service quality and service delivery than in manufacturing because they are always in contact with front-line service personnel, which is not the case with factory workers. The result from the test of the first hypothesis which provides an explanation into the first objective establishes that total quality management is a significant driver of customers relationship management. The result is in tandem with the positions of Andrle (2004), Asher (2006), Huang and Lin (2002) who assert that there is a need for firms to improve on their practices of total quality management in order to enhance their relationship with customers.

In providing an explanation into the hypothesis two, the result establishes that total quality management influences customers satisfaction. That is, the relentless pursuit of improvement in service delivery brings about

added value to customers by making the organization focused on satisfying customer's needs. The result is in line with the position of Cooper and Ellram (2003); Filppini and Forza (1998); Martinez-Lorente, Dewhurst and Dale (1999) and Oakland (2002) who emphasized that firms should see total quality management as a strategy to meet customers' needs which will in turn bring about customers satisfaction. The findings of this research attest to the benefits that accrued from the implementation of TQM. It has shown that it is a strategic tool for an organization to employ in the quest to remain competitive. If adequately deployed, the principle brings about added value to an organization in terms of efficiency in operation, employee satisfaction, customer satisfaction, and even profitability.

5. Conclusion

The study assessed the impact Total Quality management on organizational performance using customers relationship management and customers satisfaction as the measures of organizational performance. The findings of this research as well as the one reported in literature supports the idea that the management of the organization has a major role to play in terms of ensuring a culture which permits every member of the organization to be involved and contribute to quality improvement, as the involvement of employees in detecting and monitoring the quality performance requires a decentralized organizational structure. This structure permits for innovation as it permits everybody in an organization to seek solution to a particular quality problem Quality function development is a total quality management process in which the voice of the customers is deployed throughout the research and development, re-engineering and manufacturing stages of the product development. Voice of the customer is only a component of quality functions development, that is, the tasks of identifying customer needs, structuring customer needs and providing priorities for customer needs.

The findings of this research suggest several implications for managers of non-TQM, as there is the need to imbibe a total quality culture which will put them at the forefront of competition rather than manage quality partially or through inspection. It must be noted that the gains of a total quality culture far outweighs the cost of implementation as seen expressed in this research and the competitive nature of the industry calls for the organization to refocus it's strategies to suit the market demands. In this case, it would require an ideology which supports this strategic thinking to meet up with the challenges. The study recommends that fast moving consumer goods firms should improve their processes, products, services, and the culture in which

they work in other to satisfy their customers and improve their financial performance.

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