

# AN INVESTIGATION INTO TQM IN A RETAIL BANK IN THE KINGDOM OF BAHRAIN

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## ABSTRACT

### Keywords:

*Total quality management, retail bank, management development, banking sector, and Bahrain*

### Original research



*TQM is a must if you want to improve policies and procedures and make customers happier. The paper investigates total quality management (TQM) implementation in a retail bank in Bahrain. The study distributed 131 questionnaires, of which 120 have been returned. The results showed that TQM improves operations and functions by involving and training employees. TQM was perceived as a strategic technique to enhance the bank's profitability. Employee involvement, training, strategic planning, and top management commitment correlated positively with TQM. The study suggests that retail bank employees keep quality standards and get regular training and education to help provide good care.*

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## 1. INTRODUCTION

Quality has become one of the best ways for all organizations to stay in business and do well (Mauch 2010). To excel in quality, firms must add value to their customer service. TQM is a strategic system for customer satisfaction in today's dynamic and competitive environment that assists managers in evaluating external environments (Worlu et al., 2019; Zairi, 2002). The concept of total quality management (TQM) meets the organization's goals by facilitating customer satisfaction at the most economical level (Mehra & Ranganathan, 2008). The former name of TQM was quality control. TQM refers to the philosophy of business management that helps recognize the customers' needs and the organization's inseparable goals (Jain 2011). In today's dynamic and competitive environment, strategic management is critical to assisting managers in evaluating external environments (Thomas, 2007). An effective TQM strategy allows organizations to optimize resources to extract opportunities and limit threats to achieve competitive advantage (Salamzadeh et al. 2016.).

TQM is the way of thinking and acting needed to give customers a good product and meet their needs. TQM described quality as the giving force behind guidance, preparation, and enhancement. Communication among all employees is necessary to ensure proper and efficient management of quality issues and measures, whether at a lower, middle, or higher management level. Padhi (2016) categorized TQM into eight elements: the binding mortar, building bricks, foundation, and roof. Critical, or communication, refers to understanding the sender and receiver. A successful TQM requires active communication between employees, customers, and suppliers.

The building blocks category includes teamwork, training, and leadership. Collaboration ensures the smooth running of the organization. People feel free to bring challenges, and the management gets the operators' help finding the solution. Successful companies in the future will encourage teamwork, cooperation, and employee connections to their business partners and clients, as well as greater employee inclusion in the company's development activities. Similarly, training is essential to increase the

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productivity of the employees. It helps employees improve their skills, such as problem-solving, decision-making, etc. The learning or training curve can be improved using a short creation period, seminars and courses, co-working space, divided teams, cohort peers, and mentorship. Leadership is one of the essential elements in TQM. The supervisor led the employee to understand the strategic direction of the company. The leader understands the concept of TQM and teaches the employees through their daily practices.

Under the foundation come integrity, ethics, and trust. Integrity specifically discusses or includes factors such as morale, value, and honesty. On the other hand, ethics are related to the discipline maintained in excellent or harmful situations. Personnel decisions are related to standards. Trust is the output of integrity and trust. The framework of the TQM is built on faith. It encourages ownership and commitment. Trust ensures customer participation and makes the company environment suitable for work. Acceptance or recognition is the final step in the complete system. It provides individual and group recommendations, recognition, and acceptance to the employees trying to receive credit for their group and themselves. Recognizing individual contributors is the supervisor's responsibility.

Putting a QM theory that has already been tested in a new situation adds to its theoretical value (Salamzadeh 2020), especially in developing economies. This research aims to bridge this literature gap on the role of TQM in a developing country's setting. The main goal was to examine the relationship between employee involvement, employee training, strategic planning, top management commitment, and TQM in a local retail bank in Bahrain. The study investigated many issues concerning the valuation of quality. The study has been extended to include collecting primary data and statistical analysis so that practitioners can use actual and accurate materials.

## **2. METHODOLOGY**

### **A. Instrument**

The five-point Likert scale questionnaires were electronically distributed to the respondents through Google Forms. The web link was distributed to the randomly selected employees by email.

### **B. Sampling Method**

The study used a simple random sampling technique to collect data, where every subject had the same chance of being selected (Barreiro & Albandoz 2001). Simple random sampling necessitates little prior knowledge of the population (Barreiro & Albandoz 2001), and telephone interviews have been used to follow up with respondents.

### **C. Sample Size**

The respondents were managers, executives, and middle-level employees. Out of these 131 distributed questionnaires, 120 were returned. Thus, the response rate for this study was 91.60 percent.

### **D. Research Variables**

**Employee involvement:** All employees must participate for organization members to participate in the quality control process. It will result in the assurance of a proper TQM process.

**Strategic planning-** Adequate physical resources are also essential for reasonable quality control assurance. To correctly manage the quality within organizations, there must be sufficient material resources to ensure quality control and management strategies.

**Employee training** helps employees understand the need to maintain the organization's quality issues. Training has always been an important tool to motivate employees to control and manage quality problems and factors. It makes the employees responsible enough to accomplish their duties to assure quality control and leadership within the organizational aspects.

**The commitment of top management-** Top management is primarily responsible for maintaining and overseeing all quality management issues. They must govern all other members to ensure proper administration of the organization's TQM. The organization's top administration can make the other employees indulge and be motivated towards the appropriate management and control of all the quality issues.

## **3. RESULTS**

Most respondents were employees for more than seven years, 43.33%. Most employees had 5-7 years of experience (24.17%), followed by employees with 3-5 years (20%). The minority employees had less working experience (less than three years, 12.50%). The most significant demographic feature was that most of the respondents had a total work experience of more than seven years.

**Table 1.** Reliability and internal consistency

Construct	No. of Questions	Items	Cronbach's Alpha (Reliability)
TQM	4	Q1-Q4	0.808
Employee Involvement	4	Q5-Q8	0.733
Employee Training	4	Q9-Q12	0.953
Strategic Planning	4	Q13-Q16	0.952
The Commitment of Top Management	4	Q17-Q20	0.951

### A. Reliability and Internal Consistency

Table 1 provides Cronbach's alpha test results for 120 participants using SPSS version 20. According to Tavakol and Dennick (Frerichs 2008), as Cronbach's alpha is more significant than 0.7, it is considered acceptable. Table 1 demonstrates that Cronbach's alpha minimum value was 0.733 and the maximum was 0.953, along with Cronbach's alpha value for the whole questionnaire being 0.975.

### B. Perceptions of TQM

The general perception of TQM had a mean of 3.08. The statement "All the bank employees strive to meet their needs and expectations" had a mean score of 3.55. The statement "Quality is the key strategic factor in achieving business success" had an arithmetic mean of 3.30. The statement "TQM is the procedure or technique for improving the bank's reliability, efficiency, and quality," with an arithmetic average equal to 2.99. Finally, "TQM is the management approach the entire bank follows" equals 2.48.

As for the perceptions of employee involvement, the mean score of the statement "Employees of the bank are always involved in offering a high quality of work" was 4.53, followed by "Participation of all the organization members determines high quality in the group," with a mean of 4.50. Then "the involvement of employees is also the primary element of TQM" had a mean of 3.27. Lastly, "employees are the main way to keep and ensure quality in the organization," which got a mean score of 2.96, got the lowest score.

The general mean score of the perception of employee training was 3.82. The mean average of the statement "Training will also make them aware of the need for quality control for ensuring proper organizational proceedings" was 4.25. Then "Training and development programs help the employees to know about their goals and objectives in the organization," with a mean of 4.18. Then, "Training that can make

employees understand the need to manage quality within the organization" with a mean score of 3.94. Finally, "All the bank employees are provided with training for showing high-quality performance," with a mean of 2.91.

The section was rated 4.09 by the general mean of strategic planning perception. The mean average was 4.58 for the statement "TQM is the strategic planning that involves continuous improvement of product quality to achieve customer satisfaction," followed by a mean of 4.53 for the sentence "TQM is the strategic planning of the organization." Then, "Strategic planning accomplishes the primary task or duty of maintaining quality issues within the organization," with a mean of 3.69. Finally, "To ensure the proper TQM process in the organization, it is vital to synchronize TQM and strategic planning," with a mean of 3.55. The arithmetic mean of the section was 3.32.

The general mean of the perception of top management commitment was 3.32. The mean score for "Top-level management of the organization arranges for organizational innovation to ensure high-quality work" was 3.69, followed by a mean score of 3.46 for "Top-level management of the organization arranges for organizational innovation to ensure high-quality work." The statement "A bank follows TQM programs with the help of top management support" had a mean score of 3.18. Finally, "All the organization members are responsible for maintaining high-quality products and services to gain customer satisfaction" had a mean score of 2.96.

### C. Correlation Coefficient Results

Table 2 documents the Spearman correlation coefficient results. The correlation coefficients exceeded 0.7, referring to high relationships between the study variables and the p-values, which were less than 0.05. The results showed significant associations between employee involvement and training, strategic planning, and top management commitment to TQM.

**Table 2.** Spearman's correlation coefficient results

		Correlations				
		TQM	Employee Involvement	Employee Training	Strategic Planning	Top Management Commitment
TQM	Spearman's $\rho$	1.000				
Employee Involvement	Spearman's $\rho$	.894**	1.000			
Employee Training	Spearman's $\rho$	.916**	.871**	1.000		
Strategic Planning	Spearman's $\rho$	.917**	.858**	.921**	1.000	
Top Management Commitment	Spearman's $\rho$	.935**	.902**	.968**	.934**	1.000

## 4. DISCUSSIONS

TQM became a critical way to improve and enforce policies and procedures so that customers could get value-added benefits. Employees' satisfaction with

TQM as a strategic management technique was consistent with the findings of Tavakol, & Dennick (2011) regarding achieving long-term competitiveness. The results indicated a positive and significant correlation between employee involvement and TQM.

This result is similar to that of Fotopoulos and Psomas (2009) and Hosseini et al. (2015), who explained that employees are the primary determinant that helps maintain quality issues and control the maintenance of products or services.

The relationship between employee training and TQM provided a positive result. Providing proper employee training and development programs is a significant responsibility for the bank and higher-level managers. This result was consistent with Padhi (2016), Salamzadeh et al. (2016), Salamzadeh and Radovic-Markovic (2018), who explained that training is crucial to increasing employees' productivity. Training helps employees improve their skills, such as problem-solving, decision-making, etc. Management competencies and skills help to oversee TQM issues with the proper skills and knowledge. Knowledge development and human resource capabilities are essential because increasing human resource capabilities play a significant role in achieving strategic objectives and public satisfaction.

The correlation between strategic planning and TQM provided a positive relationship between these two variables: strategic planning and TQM. Strategic planning is essential to ensuring and handling all the quality problems in the bank. According to Sallis (2014), TQM is a management strategy incorporating quality elements into the organization's management process. The concept of TQM needs to be nurtured within the culture of organizations. The organization needs specific plans to raise its standards in the policies and procedures related to its quality issues.

The correlation between top management and TQM commitment again provided a positive result, indicating that top management and TQM commitment variables had a positive and significant relationship. The top management's commitment to quality management cases is as fundamental as their participation in quality control issues. It is the highest required duty that needs to be accomplished by the top managers in the

maintenance of quality control, which will again motivate the other employees of similar banks to take the initiative in maintaining quality issues (Furash, 1999). also found that top management had a unique role in maintaining and managing the TQM programs.

## 5. CONCLUSION

In the banking sector, service quality is an important aspect. The business's success depends on effective ways to improve the organization's performance. When the TQM is defined and implemented, it provides the marketer with an unobstructed view of the bank's elements as the first choice for new and existing customers.

Quality needs to be the top priority of the administration. To build a service-quality culture in any organization, the leadership and participation of the management play a crucial role. Thus, this study produced the combined result that TQM issues need to take particular concern over factors such as employee involvement, training of the employees, strategic planning, and the commitment level of the bank's top management. Considering the competitive environment in the banking sector, there is a great need to develop TQM programs in operations and functions.

The retail bank's management needs to ensure that the staff learns more about TQM's importance to the bank's long-term competitive advantage. Employees need regular training and education on TQM practices that can change their beliefs, attitudes, and actions. Employees must know about human resource development projects and be encouraged to participate. There also needs to be a system of rewards and praise for employees who work to improve quality. The TQM practices of the bank need to be regularly evaluated and constantly improved.

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