Total Quality Management Influence on Company Performance in PT. PLN (Persero) UP3 South Bali

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ABSTRACT : Companies can improve overall company performance by improving management systems, such as making Total Quality Management (TQM) an organizational strategy. The purpose of this study is to determine whether the TQM variable consisting of a focus on customers, teamwork, continuous system improvement, education and training as well as employee involvement and empowerment have an influence on company performance. This research was conducted at PT. PLN (Persero) UP3 South Bali. Data collection through questionnaires and interviews, using a saturated sample of 118 employees. The data analysis technique is multiple linear regression. TQM variables which include customer focus, teamwork, continuous system improvement, education and training as well as employee involvement and empowerment have a positive and significant effect on company performance. The coefficient of determination of 0.892 shows that 89.2 percent of the variation in company performance can be explained by the five independent variables used in the regression equation, while the remaining 10.8 percent is explained by other variables outside the variables used in this study.

Keywords - Total Quality Management, company performance

I. INTRODUCTION

Performance appraisal is an important factor in a company. Company performance is the actual results or output produced by a company which is then measured and compared with the expected results or output. Company performance is considered important because it is used to assess the company's success. In addition, companies can also use company performance as a company evaluation material from one period to the next.

An overview of company performance can be obtained from two sources, namely financial information and non-financial information. Financial information is obtained from budgeting to control costs. While non-financial information is a key factor for determining the strategy chosen to carry out the objectives set. Every company can improve its performance through continuous improvement in business activities that focus on consumers, which include the whole organization and an emphasis on flexibility and quality. Continuous improvement efforts can be made by implementing Total Quality Management (TQM). In order to achieve company goals, companies can improve overall company performance by improving management systems, and making TQM a priority organizational strategy.

Total Quality Management (TQM) is a concept used by organizations to maintain competitive advantage and ensure the effectiveness of company operations. TQM is a proven technique to ensure survival in world class competition. TQM can be used by a company to boost company excellence through meeting customer needs and improving quality through continuous improvement. TQM is important for the company because it measures all the components that are in the company such as quality, organization, process and environment.

The rationale for the application of TQM is that companies can compete and excel in global competition by producing the best quality. Companies that use TQM will reduce operating costs and increase revenue so that profits increase. Besides aiming to improve organizational performance, TQM as a quality management system oriented to the quality of products and services, and has the ultimate goal of achieving customer satisfaction.

A company that wants its company to operate continuously must be able to provide satisfaction to each of its customers. Customer satisfaction has a close relationship with service quality. Satisfied customers are compelled to establish strong bonds with the company so that customer loyalty is realized. This statement is relevant to previous research conducted by Wijayanto (2015); Peng & Moghavvemi (2015); Fikri et al. (2016); Minh & Huu (2016); Kuntari et al. (2016); Desy (2017); Musqari. & Huda (2018) and Asta (2019) which states...
that customer satisfaction has a positive and significant influence on customer loyalty. According to Novianti & Darlius (2018) customer satisfaction is the variable that has the most influence on customer loyalty. The more loyal a customer is, the greater the profit the company will obtain.

Empirical studies examining the effect of TQM practices on company performance have been carried out in previous studies. Some of the results of research conducted by Norah et al. (2015); Pomas (2016); Saleh & Al-Dhaafri (2016); Al-Damen & Ali (2017); Alghamdi (2018); Rawashdeh (2018); Saini (2019) and Sweis et al. (2019) concluded that TQM had a positive and significant effect on organizational performance. Whereas in the study of Mehmood et al. (2015) and Qasrawi et al. (2017) found that there is a TQM variable that is focused on the customer does not have a significant effect on company performance. Pamungkas (2016) in his research found that the focus on customers and teamwork partially had no effect on managerial performance.

Total Quality Management (TQM) is implemented in PT. PLN (Persero) UP3 South Bali by managing overall quality, including teamwork between employees. PT. PLN (Persero) UP3 South Bali is an implementing unit under PT. PLN (Persero) Bali Distribution Parent Unit. PT. PLN (Persero) UP3 South Bali oversees 5 Customer Service Units (ULP) namely Denpasar ULP, Kuta ULP, Mengwi ULP, Sanur ULP and Tabanan ULP. This company has a vision that is recognized as a world-class company that is growing, superior and reliable. To be able to achieve its objectives, the company will certainly expect its employees to behave according to or even exceed the requirements of the company.

Based on observations made on the employees of PT. PLN (Persero) UP3 South Bali for +/- two month in October to December 2019 during the working day which aims to find out the problems related to performance, found several phenomena of problems related to disciplinary actions that indicate still the lack of employees implementing the principle of performance in the company. Among them there are still many employees who do not return on time after lunch break, employees often chat during working hours and there are still employees who complain about their work. In addition to problems from employees, there are also a number of complaints made by customers through the PLN 123 contact center regarding some of the problems experienced, and complaints about the slow installation of electricity by technicians, as well as unplanned power outages.

Based on the phenomena that occur in the company and there are still some conflicting studies, further research will be conducted on the extent to which the principles of Total Quality Management applied at PT. PLN (Persero) UP3 South Bali and its impact on company performance. The principles of Total Quality Management (TQM) used in this research are customer focus, teamwork, continuous system improvement, education and training and employee involvement and empowerment, because these principles are implemented in the company and can be measured through employees.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In implementing TQM, customer focus is very important in its application. The company looks at aspects of relationships with consumers broadly in terms of customer relations and behavior. Companies need to understand consumers as a whole, what consumers need, how consumer buying behavior and customer relations in the long run, which will affect the company's relationship with customers and be able to influence company performance.

Consumer focus has a significant influence on organizational performance. This is evidenced by Nur (2016) about TQM practices on employee performance, where the variable of TQM, namely customer focus has a significant and positive effect on employee performance. Mokhtaran & Komeilian (2016), Ya et al. (2016) and Nasution & Rafiki (2018) in their research revealed that the focus on customers has a positive influence on managerial performance. Based on the explanation above, the following hypotheses can also be drawn,

H1: Focus on customers has a positive and significant impact on company performance.

Team collaboration is one of the variables in TQM. Teamwork is one way to make it easier for employees to do their jobs. It's easier to do work with a team than to do it yourself. This is in line with Nur (2016) who found that teamwork partially had a positive effect on employee performance. Qasrawi et al. (2017) found that teamwork had a positive and significant effect on company performance. Based on the description, the hypothesis can be formulated as follows,

H2: Team collaboration has a positive and significant influence on company performance.

If the company focuses on continuous improvement, it will constantly improve internal performance, customer service and quality. Companies that make continuous improvements must start with the understanding that the journey never ends, but the company must remain realistic and still look at the resources they have. Research Mehmood et al. (2015) found the results that continuous improvement had a significant effect on company performance. Pamungkas (2016) in his research found that continuous improvement significantly affected managerial performance. Nur (2016) found that continuous system improvement partially had a positive effect on employee performance. Research by Orita & Amelia (2016) found that continuous...
improvement has a significant effect on employee performance. Based on empirical results in the above research, the hypotheses that can be proposed in this study are,

H3: Continuous system improvement has a positive and significant impact on company performance.

One of the most fundamental elements of implementing TQM is continuous personnel development. This requires education, training and learning for employees. Pamungkas (2016) in his research found that education and training had a significant effect on managerial performance. Nur (2016) found that education and training partially had a positive and significant effect on employee performance. Based on empirical results in the above research, the hypotheses that can be proposed in this study are,

H4: Education and training have a positive and significant influence on company performance.

Empowerment can be interpreted as a significant employee engagement. Empowerment is not just giving input but also paying attention, considering, and following up on that input. Efforts to involve employees bring two impacts, namely increasing the likelihood of good decision outcomes and increasing employee ownership of the company. Pamungkas (2016) in his research found that employee involvement and empowerment had a significant effect on managerial performance. Nur (2016) found that employee involvement and empowerment partially had a positive and significant effect on employee performance. Based on the description, the hypothesis can be formulated as follows,

H5: Employee involvement and empowerment has a positive and significant impact on company performance.

III. METHODS

This research uses a quantitative method with an associative approach that has a causal relationship. This research was conducted at PT. PLN (Persero) UP3 South Bali having its address at Jalan P.B Sudirman No.2, Dauh Puri, Denpasar Barat. Consideration of choosing this company as a research location because there are performance issues related to the application of TQM, so it needs to be analyzed regarding the application of TQM principles to company performance at PT. PLN (Persero) UP3 South Bali. The object of this research is the company's performance and Total Quality Management of PT. PLN (Persero) UP3 South Bali. The dependent variable in this study is company performance which is symbolized by (Y), the independent variable in this study is Total Quality Management which is symbolized by (X) which includes customer focus (X1), teamwork (X2), continuous system improvement (X3), education and training (X4), and employee involvement and empowerment (X5).

Qualitative data in this study in the form of gender, recent education, position, tenure and opinion of the respondents to the statement in the questionnaire regarding the company's performance variables and TQM. Quantitative data in this study are data in the form of numbers such as the large number of respondents and data on the number of study populations. Primary sources were obtained directly from the interviews of the leaders of PT. PLN (Persero) UP3 South Bali and data collection using a questionnaire to the employees of PT. PLN (Persero) UP3 South Bali. Secondary sources in this study are data obtained through observations, among others, on the company's website on the internet, employee data, customer data, customer complaint data and the results of a customer satisfaction survey of PT. PLN (Persero) UP3 South Bali. This study uses a questionnaire as primary data, therefore it is necessary to test the validity and reliability so that the questionnaire is feasible to be used as an instrument in data collection.

The population in this study were all employees of PT PLN (Persero) UP3 South Bali in November 2019, amounting to 118 people. The method of determining the sample chosen in this study is saturated or census sampling that is using all members of the population of 118 employees. Data collection methods used in this study are: Interviews and Questionnaires

IV. RESULTS AND DISCUSSION

Characteristics of respondents at PT. PLN (Persero) UP3 South Bali consisting of age, sex, last education and years of service. Based on the percentage of age, it can be seen that respondents aged 31-40 years are the most age in the amount of 44.1 percent of the total number of employees of PT. PLN (Persero) UP3 South Bali. Characteristics of respondents based on the sex that dominates, namely men by 66.9 percent. Based on the latest level of education, respondents who dominated were high school graduates or equivalent, amounting to 44.1 percent. Based on the years of service (years), the results showed that respondents with a period of 1-5 years of service amounted to 22.9 percent, a period of 6-10 years of 25.4 percent, a period of 11-15 years of 22 percent, and a greater service period or equal to 16 years by 29.7 percent.

The average response of respondents to the company's performance indicators is very good which means that the performance of the company PT. PLN (Persero) UP3 South Bali has been very good. Based on the average respondent's answer to each statement the results obtained are PT. PLN (Persero) UP3 South Bali is very capable in generating profits, very capable in providing satisfaction to customers, experiencing increasingly high levels of customer growth, already good at implementing innovations to facilitate service to customers, and very good at providing training to employees.
The average respondent's answer to the customer focus indicator is always that which means that PT. PLN (Persero) UP3 South Bali has been very good at implementing a focus on customers. Based on the average respondent's answer to each statement the results obtained are that PT. PLN (Persero) UP3 South Bali always knows the needs of customers today and in the future, often making customer complaints as a method to improve existing processes, continually collecting information from employees to measure customer satisfaction, often addressing customer complaints, and always using customer desires as quality standards.

The average respondent's answer to the teamwork indicator is very high which means that the teamwork applied at PT. PLN (Persero) UP3 South Bali has been very good. Based on the average respondent's answers to each statement the results obtained are the level of trust among employees working in teams is very high, the level of routine in resolving company problems using brainstorming, meetings, etc., is already very high, the level of criticism builds among team members is high, communication between team members in generating ideas to make changes and solutions to problems that occur is very high.

The average respondent's answer to the indicator of continuous system improvement is always that which means that PT. PLN (Persero) UP3 South Bali always implements continuous system improvement. Based on the average respondent's answer to each statement the results obtained are PT. PLN (Persero) UP3 South Bali always makes continuous quality improvement an important goal of the company, always analyzing customer feedback to improve service quality, each employee always tries to find a better way of doing work, each employee often analyzes the results of their work to complete work better, and routinely every employee often makes suggestions to improve work in his work area.

The average respondent's answer to education and training indicators is always that which means that PT. PLN (Persero) UP3 South Bali always implements education and training. Based on the average respondent's answer to each statement the results obtained are PT. PLN (Persero) UP3 South Bali always makes education and training the key to improvement for the company's business, often makes learning as a whole for the survival of the company, often provides education and training that continues to be done in a certain period, education and training can always motivate to develop ideas ideas, and every employee always gets education and training that can improve their ability to provide high-quality services.

The results of the regression analysis showed that the total determination coefficient value was 0.892, which meant that 89.2 percent of the company's performance variables were influenced by the Total Quality Management variable, namely customer focus, teamwork, continuous system improvement, education and training, and involvement and empowerment the employee. The remaining 10.8 percent is influenced by other variables not explained in this study.

The significance value of F is 0.000 <0.05, this means that the multiple linear regression model is feasible as an analysis tool to test the effect of independent variables on the dependent variable. The test results with SPSS show that the significance level of the customer focus variable is 0.001 <0.05 then H0 is rejected and H1 is accepted, this means that partially the customer focus variable has a positive and significant effect on company performance. The test results with SPSS show that the significance level of the teamwork variable is 0.033 <0.05 then H0 is rejected and H1 is accepted. This means that partially the teamwork variable has a positive and significant effect on company performance.

The results of testing with SPSS show that the significance level of continuous improvement of the system variable is 0.041 <0.05 then H0 is rejected and H1 is accepted. This means that the system improvement variable partially has a positive and significant effect on company performance. The results of testing with SPSS show that the significance level of the education and training variable is 0.027 <0.05 then H0 is rejected and H1 is accepted. This means that partially education and training variables have a positive and significant effect on company performance. The test results show that the level of significance of employee engagement and empowerment variables is 0.040 <0.05 then H0 is rejected and H1 is accepted. This means that partially employee involvement and empowerment variables have a positive and significant effect on company performance.

The results showed that the customer focus variable had the highest Standardized Coefficients Beta value than the other variables which was 0.256, meaning that the customer focus variable had the strongest influence on company performance. Test results indicate that partially the customer focus variable has a positive and significant effect on company performance. Improved application of customer focus by knowing customer needs today and in the future, making customer complaints a method for improving existing processes, continuously gathering information from employees to measure customer satisfaction, addressing customer complaints, and using customer desires as quality standards, will be able to improve the performance of the company PT. PLN (Persero) UP3 South Bali. These findings are consistent with the hypothesis proposed and support research findings Nur (2016) research that focus on customers has a positive influence on managerial performance. These findings contradict the results of the study of Mehmood et al. (2015), Qasrawi et al. (2017), and Pamungkas (2016), namely the focus on customers does not have a significant effect on company performance.
The results showed that the teamwork variable had the lowest Standardized Coefficients Beta value than the other variables which was 0.135, meaning that the teamwork variable had the weakest influence on company performance. T-test results showed that partially teamwork variables had a positive and significant effect on company performance. Improving the application of teamwork by increasing trust between employees, improving the resolution of company problems by using brainstorming, meetings, etc., increasing constructive criticism among team members, and increasing communication between team members in generating ideas and solutions to problems that occur will improve performance company at PT. PLN (Persero) UP3 South Bali, and vice versa decreased implementation of teamwork, it will cause a decline in company performance at PT. PLN (Persero) UP3 South Bali. These findings are consistent with the proposed hypothesis and support Nur's research findings (2016) that teamwork partially has a positive effect on employee performance, the research findings of Qasrawi et al. (2017) found that teamwork had a positive and significant effect on company performance, and contradicted the results of Pamungkas (2016) research that teamwork partially had no effect on managerial performance.

The results showed that the continuous system improvement variable had the third largest Standardized Coefficients value compared to the other four variables, which was 0.198, meaning that the system improvement variable continuously had a strong influence on company performance. T-test results show that partially continuous system improvement variables have a positive and significant effect on company performance. Increasing the application of continuous system improvement, including by always making continuous quality improvement an important goal of the company, always analyzing customer feedback for the development of service quality, increasing employee awareness in doing good work that makes work better, analyzing the results of their work and in routinely improve work in the working area, it will be able to have an impact on improving the performance of the company PLN (Persero) UP3 South Bali. These findings are consistent with the hypothesis put forward and support the research findings of Orista & Amelia (2016) who found that continuous improvement significantly affected employee performance, Pamungkas (2016) found that continuous improvement had a significant effect on managerial performance. Nur (2016) found that continuous system improvement partially had a positive effect on employee performance.

The results showed that the education and training variable had the second largest value of Standardized Coefficients compared to four other variables, namely 0.208, meaning that the education and training variable had a strong influence on company performance. T-test results indicate that partially education and training variables have a positive and significant effect on company performance. Improving the application of education and training that is by always making education and training the key to improvement for the company's business, increasing learning for the survival of the company, improving in providing education and training in a certain period that will motivate employees in developing new ideas and can improve their abilities to provide high-quality services. It will be able to have an impact on improving the performance of the company PT. PLN (Persero) UP3 South Bali. These findings are consistent with the hypothesis proposed and support Pamungkas (2016) research findings which found that education and training had a significant effect on managerial performance. Nur (2016) found that education and training partially had a positive and significant effect on employee performance.

The results showed that the variable of employee engagement and empowerment had the second lowest Standardized Coefficients value compared to four other variables, namely 0.198, meaning that the variable of employee engagement and empowerment had a strong enough influence on company performance. T-test results indicate that partially employee involvement and empowerment variables have a positive and significant effect on company performance. Improving the application of employee involvement and empowerment including by improving employee recruitment systems that are in accordance with competence and honesty, increasing employee involvement in making customer service policies, placing employees in accordance with their area of expertise, increasing in giving rights to employees to make decisions related to the field work to a certain extent, and form a team that involves employees in supporting services to customers, with this will be able to improve the performance of the company PT. PLN (Persero) UP3 South Bali. These findings are consistent with the hypothesis and support Pamungkas (2016) who found that employee involvement and empowerment significantly influence managerial performance. Nur (2016) found that employee involvement and empowerment partially had a positive and significant effect on employee performance.

Focus on customers has a positive and significant effect on company performance. This result means that companies need to apply customer focus. The company is expected to make customer needs and satisfaction a priority service, satisfied customers will be encouraged to establish strong bonds with the company so that the realization of loyal customers. Teamwork has a positive and significant effect on company performance. This result means the company needs to emphasize awareness to employees so they can work in teams and pay attention to the close relations between employees so as to create a good working relationship between employees.
Continuous system improvement has a positive and significant effect on company performance. This means that companies need to make continuous system improvements. The existing system needs to be improved continuously so that the quality it produces can improve. Education and training have a positive and significant effect on company performance. This means that companies need to provide education and training to all employees so as to improve their technical skills and professional expertise.

Employee involvement and empowerment has a positive and significant effect on company performance. This result means the company needs to involve and empower employees so that it will ultimately be able to improve company performance. The company is expected to pay close attention to the working relationship between management and employees so that a solid work team will be created. This can be done by always establishing good communication so that a harmonious working relationship will be created and ultimately can improve company performance. The findings of this study reinforce previous studies that show that Total Quality Management (TQM), namely customer focus, teamwork, continuous system improvement, education and training as well as employee involvement and empowerment can affect company performance.

V. CONCLUSION

Focus on customers has a positive and significant effect on the performance of the company PT. PLN (Persero) UP3 South Bali. Teamwork has a positive and significant effect on the performance of the company PT. PLN (Persero) UP3 South Bali. Continuous and significant improvement of the system on the company's performance at PT. PLN (Persero) UP3 South Bali. Education and training have a positive and significant effect on the performance of the company PT. PLN (Persero) UP3 South Bali. Employee involvement and empowerment has a positive and significant effect on the performance of the company PT. PLN (Persero) UP3 South Bali.

Customer focus is the most dominant factor on the performance of the company PT. PLN (Persero) UP3 South Bali, for that the management should focus more on improving indicators in the variable focus on customers such as always knowing the needs of customers today and in the future, making customer complaints as a method for improving the process, gathering information from employees to measure customer satisfaction, have an effective way to deal with customer complaints, and always use customer desires as quality standards.

Teamwork is the smallest factor that affects the company's performance of PT. PLN (Persero) UP3 South Bali, however, the management can improve teamwork of the employees so that the company's performance is getting better by increasing the teamwork indicators namely increasing the level of trust between employees, increasing the resolution of company problems by using brainstorming, meetings, etc., increase the level of constructive criticism among team members, and improve communication between team members in generating ideas.

Continuous system improvement is the third biggest factor affecting the performance of the company PT. PLN (Persero) UP3 South Bali, therefore, is expected to be able to improve the implementation of continuous system improvement, including by always making continuous quality improvement an important goal of the company, always analyzing customer feedback to develop service quality, increasing employee awareness in doing good work it makes the work better, analyzes the results of their work and routinely improves the work in their working area, so that it can have an impact on improving the performance of the company PT. PLN (Persero) UP3 South Bali.

Education and training have a strong influence on the performance of the company PT. PLN (Persero) UP3 South Bali, the management is expected to be able to improve the application of education and training indicators that will have an impact on improving company performance, including by always making education and training the key to improvement for the company's business, increasing learning for the company's survival, increasing in providing education and training in a certain period that will motivate employees in developing new ideas and can improve their ability to provide high quality services.

Employee involvement and empowerment has a strong enough influence on the performance of the company PT. PLN (Persero) UP3 South Bali, the management is expected to be able to improve the application of employee involvement and empowerment including by increasing employee recruitment systems that are in accordance with competence and honesty, increasing employee involvement in making customer service policies, placing employees in accordance with their area of expertise, increase in granting rights to employees to make decisions related to the field of work to a certain authority, and form a team that involves employees in supporting services to customers, with this will be able to improve the performance of the company PT. PLN (Persero) UP3 South Bali.

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