

THE ROLE OF EMPLOYEE EMPOWERMENT IN MODERATING THE EFFECT OF TQM ON COMPANY PERFORMANCE

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ABSTRACT: The research objective was to determine the effect of Total Quality Management on the performance of companies with empowerment as a moderating. This study was waged in Bumi Ayu hotel located in Sanur. The study population was a hotel employee who totaled 56 people. Samples are overall employee Bumi Ayu. Methods of data collection using the questionnaire with the Likert method. Linear analysis techniques used are moderated regression analysis. The results of the analysis showed that the variables Total Quality Management is focused on the customer and teamwork significant effect on the performance of the company, while an obsession with quality has no significant effect on the performance of the company. Employee empowerment strengthen the moderating variable TQM effect on the performance of the company.

KEYWORDS: *Total Quality Management, company performance, employee empowerment*

I. INTRODUCTION

TQM or Integrated quality management is a concept of improvements carried out continuously and involve all the elements as well as employees at every level of the organization in order to achieve the best quality through process management (Vouzaz and Kafetzopoulos, 2014). In accordance with the definition of the International Organization for Standardization (ISO), TQM is a management approach to an organization that is focused on quality and based on the participation of all its members that aims to achieve long-term success through customer satisfaction and benefit of all members of the organization (Saleh et al , 2016). The benefits of implementing Total Quality Management is to improve the overall quality in the company in order to increase revenues or profits from the company through the performance of its employees. (Efendi and Kastawan, 2018). Success or failure of efforts to improve the quality of a company's products is heavily effect by human resources. Employees can gain work experience and skills to apply them in place at the same time they work. Companies with a high level of labor productivity means it will carry out the production process at a high level as well, and therefore the employee empowerment is an important factor in the implementation of TQM (Chairany, 2014). Employees can gain work experience and skills to apply them in place at the same time they work. Companies with a high level of labor productivity means it will carry out the production process at a high level as well, and therefore the employee empowerment is an important factor in the implementation of TQM (Chairany, 2014). Employees can gain work experience and skills to apply them in place at the same time they work. Companies with a high level of labor productivity means it will carry out the production process at a high level as well, and therefore the employee empowerment is an important factor in the implementation of TQM (Chairany, 2014).

Empowerment is giving them responsibility and authority to employees to work to take decisions on all product development and decision-making (Marina and Joaquin, 2017). Employee empowerment is very important and provides more opportunities for employees to develop creativity, flexibility and autonomy on the job. Empowerment of employees will make someone feel important, therefore empowering employees also can strengthen the level of performance of the company TQM (Psomas and Jiju, 2017).

The hospitality industry is an industry that continues to develop hotels in Indonesia, especially in Bali. Until now, the hospitality industry has increased very significantly, supported by the ease of finding the hotel through internet access and hotel prices more affordable is very influential for businesses of hospitality services. Customers prefer the quality and the facilities offered and which has an affordable price. The unique characteristics of products whose quality hotel services specified by the customer, such as the time responsiveness of the company when there is a problem / complaint, as well as the need for a direct connection

between employees and customers demanding hospitality service companies in particular need to improve the quality and make continuous improvements.

Previous research had mixed results and inconsistency in the research conducted by Mehta et al. (2014), which examines the implementation of TQM in the education system in India to find results that TQM plays an important role in improving quality. Research Talib et al. (2013) who studied the practice of TQM in service companies in India also found that TQM shows a positive relationship to the quality of performance. This is different to the research conducted by Bara et al. (2017), which examines the effect of TQM on organizational performance to find results that focus on the customer and teamwork do not have a significant effect on the performance of the organization and Lamato et al. (2017) find results where the Total Quality Management which consists of, Education and Training, and Employee Involvement and Empowerment, does not effect the performance of the organization. Therefore, further research is needed.

Based on their experiences to and research gap on the results of previous empirical research, it will be examined again on the effect of the variable TQM Focus on customer, obsession on quality and team work on company performance. Variable Focus on customer used more due to the characteristics berorientasi business services to customers. While variable obsession with quality and teamwork are used for their inconsistent results in previous studies that need further research. Employee involvement and empowerment are essential in the implementation of Total Quality Management. Employee empowerment brings two main benefits, namely to improve the planning and decision-making, and increase the sense of ownership and responsibility of employees,

II. LITERATURE AND HYPOTHESIS DEVELOPMENT

Customer focus is a very important thing that needs to be done by the company to further give a good impression to the customer so that the customer was satisfied. Provide intensive services is the way it should be done so customers know more about the product or service being marketed so that it will cause a sense of want to buy and complacency in the minds of customers (Nasution, 2015: 18). Widjaja (2014) in his research found the variable focus on the customer have a significant effect on the performance of the company, it is in line with research Androwis et al (2018), Dauhan (2014), and Al-Damen (2017) who found that focusing on the customer's positive effect on company performance, so that the higher level of focus on the customer, the higher the performance of the company.

H1: Focus on the customer has a positive and significant effect on the performance of the company

The quality of products or services good, it will give a good impression on customers anyway (Nasution, 2015: 18). Quality companies should be improved so that the products or services offered are of good quality and can meet customer expectations or desires (Wuryanti, 2013). Research Jimenez et al. (2015), Bara et al. (2017), and Dubey et al. (2015) which states that the obsession with the quality of the effect on customer satisfaction. So the greater the obsession with quality, the higher the performance of his company. Based on the description above can be formulated hypotheses as follows:

H2: The obsession with quality and its significant positive effect on customer satisfaction.

Teamwork is a form of work in groups and are complementary to the skills each - each and are committed to achieving a common goal which is to make customers feel satisfied. With the teamwork of employees will be easier to do his job than do it themselves. Research conducted Psomas and Jiju (2017) found results that teamwork significant effect on the performance of the company. This is similar to research Saputra (2014), Sari and Kusuma (2018) and, Purba and Rica (2014), has been examined previously and stated that teamwork effect company performance. Based on the above research results, the hypothesis can be put forward in this study is,

H3: Teamwork positive and significant effect on company performance

Empowerment and motivation is a tool that the company as a stimulus to improve employee performance. Employees will remove all the potential that exists within him through empowerment and motivation to improve the performance of the work. Good employee performance will effect the productivity of the company (Heizer, 2015). Previous work by Alvin et al (2014), Saputra and Fermayanti (2019) found that empowerment employees positive and significant effect on the performance of the company, then the hypothesis is obtained as follows.

H4: Employee Empowerment positive and significant effect on company performance.

Employee empowerment can be interpreted as a significant employee involvement. Employee empowerment is not just to provide input but also pay attention to, consider, and act on that feedback (Tjiptono and Diana, 2003: 128). Research conducted Dubey et al. (2015), Myediyana et al. (2014)), has been examined previously and stated that the Employee Empowerment strengthen the application of Total Quality Management that focus on

customers in the company. Based on the above research results, the hypothesis can be put forward in this study are:

H5: Employee Empowerment Focus on customer strengthen the effect of company performance.

Organizations that implement employee engagement and empowerment harusalah provide opportunities for employees to develop and perform optimally (Heizer, 2015). Employee empowerment will foster a sense of having companies that appear on individual initiative to make improvements on an ongoing basis. Myediyana et al. (2014) and Mosadegrhad (2015), has been examined previously and stated that the Employee Empowerment strengthen the application of Total Quality Management is bsesi on quality. Based on the above research results, the hypothesis can be put forward in this study are:

H6: Employee Empowerment obsession strengthen the effect of quality to company performance

In the empowerment of employees, the company tried to improve the team's expertise and train employees to master their own (self-control). This makes the employees will be easier to work in a group, where it can have an effect on improving employee performance, which in turn will have a positive effect on the performance of the company (Nasution, 2015: 18). Research by Islami (2017), has been examined previously and stated that the Employee Empowerment strengthen the application of TQM is teamwork in the company. Based on the results of the above study, it can be formulated hypotheses:

H7: Employee Empowerment Teamwork strengthens effect on company performance.

III. RESEARCH METHODS

The study design used in this study is a quantitative approach in the form of causal intended to find out the relationship between TQM implementation on company performance. This research was conducted at Bumi Ayu Bungalows located in the Sanur area of Denpasar. This location was chosen because the company there is a problem decline pertahunya hotel room occupancy rate. The object of research is the object studied and analyzed. In this study, the scope of the research object was applied in accordance with the problems to be studied is the effect of Total Quality Management to company performance.

Sampling as the process of choosing a sufficient number of elements of the population, so the study of samples and understanding of the nature and characteristics of the population elements. The number of samples in this study was determined by consideration of the number of employees Bumi Ayu Bungalows in 2019 was 56 people. Then the number of samples taken using saturated sample is of all employees Bumi Ayu Bungalows, amounting to 56 people. Samples saturated sampling technique which makes all members of the population as a sample. The research data was obtained by the method of distribution of the questionnaire directly to the employee which contains a list of statements regarding the implementation of TQM, the performance of the company and peberdayaan employees.

This study used a technique Moderated Regression Analysis. According Ghozali (2006) test interaction is often called the Moderated Regression Analysis (MRA) is a specialized application of linear regression in the regression equation which contains elements of the interaction between one or more independent variables on the dependent variable. To test the effect of the application of TQM (X) on Company Performance (Y) which is moderated by the use of employee empowerment Moderated Regression Analysis (MRA). Moderated Regression Analysis is expressed in the form of a model equation as follows:

$$Z = \alpha + \beta_1 X + \beta_2 Y + \beta_3 X \cdot Y + e$$

Information:

Z = Employee empowerment

a = Constant

$\beta_1, \beta_2, \beta_3$ = Regression Coefficients

X = Total Quality Management

Y = Corporate Performance

$|X - Y|$ = Interactions between Total Quality Management and Kinerja perusahaan measured by the absolute value of the difference between X and Y.

IV. RESULTS AND DISCUSSION

Multiple linear regression analysis is used because it is able to interpret the linear relationship between a focus on customer, obsession on quality, teamwork and performance. This method was tested using a computer system in the form of SPSS.

Table 1. Results of Multiple Linear Regression Analysis

Model	Coefficients unstandardized		standardized	T	Sig.
	B	Std. Error	beta		
1 (Constant)	-.642	.778		-825	.413
Focus On Customers	.224	.051	.338	4,351	.000
Quality obsession	.131	.043	.252	3,040	.004
Teamwork	.148	.053	.268	2,789	.007
Employee empowerment	.090	.031	.219	2952	.005

a. Dependent Variable: Corporate Performance
Primary Data, 2019

Based on the results of multiple linear analysis as presented in Table 1, it can be made of structural equation as follows:

$$Y = -0.642 + 0.224 X_1 + 0.131 X_2 + 0.148 X_3 + 0.090Z$$

The results of the equation shows the magnitude and direction of effect of each independent variable on the dependent variable. Marked positive regression coefficient means having a direct effect on company performance. Coefficients are as follows:

- A constant value without the added variable is assumed that the focus on the customer, obsession with quality, teamwork, and empowerment of employees the value of company performance amounted to -0.642.
- If X₁ (focus on the customer) increased by 1 unit assuming obsession with quality, teamwork, and empowerment of employees are considered permanent, firm performance will increase by 0.224 units.
- When X₂ (obsessions quality) increased by 1 unit assuming a focus on customers, teamwork, and empowerment of employees are considered permanent, firm performance will increase by 0.131 units.
- If X₃ (teamwork) has increased by 1 unit assuming a focus on customer, obsession with quality, and employee empowerment is considered permanent, firm performance will increase by 0.148 units
- If Z (empowerment of employees) increased by 1 unit assuming a focus on customer, obsession with quality, and teamwork are considered permanent, firm performance will increase by 0.090 units.

Test Results MRA (Moderated Regression Analysis)

MRA is a special application of multiple linear regression, the regression equation which contains elements of interaction (multiplication of two or more independent variables). Test analysis regression coefficient will use test Moderated Regression Analysis (MRA). Choosing MRA in this study explain the moderating variable in strengthen or weaken the relationship between independent and dependent variables.

Table 2. Analysis of MRA (Moderated Regression Analysis)

Model	Coefficients unstandardized		standardized	t	Sig.
	B	Std. Error	beta		
1 (Constant)	1,570	.851		1844	.071
Focus On Customers	.138	.047	.209	2,941	.005
Quality obsession	.079	.042	.152	1886	.065
Teamwork	.100	.046	.181	2,175	.035
Employee empowerment	.074	.027	.178	2,729	.009

Focus * Empowerment	.002	.001	.238	2,353	.023
Obsession * Empowerment	.001	.001	.097	.649	.519
Cooperation * Empowerment	.001	.002	.058	.390	.039

a. Dependent Variable: Corporate Performance

Primary Data, 2019

Based on the analysis of MRA as presented in Table 2, it can be made of structural equation as follows:

$$Y = 1.570 + 0.138 + 0.079 X1 + X2 + 0,100X3 0,074Z + 0,002X1Z + 0.001 + 0.001 X3Z X2Z$$

The results of the equation shows the magnitude and direction of effect of each independent variable on the dependent variable. Marked positive regression coefficient means having a direct effect on company performance. Coefficients are as follows:

- A constant value without the added variable is assumed that the focus on the customer, obsession with quality, teamwork, and empowerment of employees the value of company performance amounted to 1,570.
- If X1 (focus on the customer) increased by 1 unit assuming obsession with quality, teamwork, and empowerment of employees are considered permanent, firm performance will increase by 0,138 units.
- When X2 (obsessions quality) increased by 1 unit assuming a focus on customers, teamwork, and empowerment of employees are considered permanent, firm performance will increase by 0.079 units.
- If X3 (teamwork) has increased by 1 unit assuming a focus on customer, obsession with quality, and employee empowerment is considered permanent, firm performance will increase by 0,100 units.
- If Z (empowerment of employees) increased by 1 unit assuming a focus on customer, obsession with quality, and teamwork are considered permanent, firm performance will increase by 0.074 units.
- If X1Z (focus on customers by empowering employees) has increased by 1 unit assuming quality obsession, and teamwork are considered permanent, firm performance will increase by 0.002 units.
- If X2Z (obsessions quality by empowering employees) has increased by 1 unit with the assumption of customer focus and teamwork are considered permanent, firm performance will increase by 0.001 units.
- If X3Z (teamwork with the empowerment of employees) increased by 1 unit assuming a focus on customers and quality obsession is considered permanent, firm performance will increase by 0.001 units

Coefficient of Determination

Based on the value of R² can be determined what percentage of the dependent variable can be explained by the independent variable, while the rest effect or explained by other variables not included in the research model. Adjusted R² value can go up or down when the independent variable is added to the model.

Table 3. Determination Coefficient Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.951a	.905	.891	.638

Primary Data, 2019

Based on Table 3 the effect of independent variables on the dependent variable indicated by the determination of the total (Adjusted R Square) of 0.891 means that a variation of 89.1% focus on customer, obsession with quality, and teamwork effect the performance of the company while the remaining 10, 9% is explained by factors or other variables that are not incorporated into the model

Feasibility Model (Test F)

Test the feasibility of the model is measured by the test results F. criteria used is the significance of $F > \text{Alpha} (\alpha = 0.05)$, the regression models were inappropriately used to predict the effects of independent variables, but when the significance of $F \leq \text{Alpha} (\alpha = 0.05)$ then regression models have met the eligibility requirements regression model.

Table 4. Results of Feasibility Model (Test F)

ANOVAa						
Model		Sum of Squares	df	mean Square	F	Sig.
1	Regression	186 308	7	26 615	65 410	.000b
	residual	19 531	48	.407		
	Total	205 839	55			

Primary Data, 2019

Based on Table 4, we can see significant value of 0.000 is less than 0.05 ($0.000 < 0.05$) so that the model in this study feasible or independent variable able to explain the dependent variable, in other words, the independent variables simultaneously or with an effect on the dependent variable.

Hypothesis test (t test)

The statistical test t basically shows how far the effect of the independent variables individually in explaining the dependent variable (Ghozali, 2011: 98). T test can be done by looking at the probability of significance of t respectively contained in the output variable regression analysis using SPSS. If the significance probability value t is smaller than 0.05, then H0 rejected and H1, which means that there is a strong effect between independent variables and the dependent variable.

Table 5. Results of Hypothesis Testing (t test)

Coefficientsa						
Model		Coefficients unstandardized		standardized		Sig.
		B	Std. Error	beta	t	
1	(Constant)	1,570	.851		1844	.071
	Focus On Customers	.138	.047	.209	2,941	.005
	Quality obsession	.079	.042	.152	1886	.065
	Teamwork	.100	.046	.181	2,175	.035
	Employee empowerment	.074	.027	.178	2,729	.009
	Focus * Empowerment	.002	.001	.238	2,353	.023
	Obsession * Empowerment	.001	.001	.097	.649	.519
	Cooperation * Empowerment	.001	.002	.058	.390	.039

a. Dependent Variable: Corporate Performance

Primary Data, 2019

Effect of Focus on Performance Against Corporate Customers

Based on significant value to a variable focus on customers 0,005 less than 0.05 ($0.005 < 0.05$) with a positive coefficient value 0,138, so H0 is rejected, in other words, focus on the customer has a positive effect on company performance. This means that the company is focusing on the customer it will increase company performance, on the contrary decreased focus on the customer, firm performance will decrease.

Customer focus is a very important thing that needs to be done by the company to further give a good impression to the customer so that the customer was satisfied. Provide intensive services is the way it should be done so customers know more about the product or service being marketed so that it will cause a sense of want to buy and complacency in the minds of customers. This is in line with research Androwis et al (2018), Dauhan (2014), and Al-Damen (2017) who found that the focus on the customer has a positive effect on the performance of the company, so the higher the level of customer focus, the higher the performance of the company.

Effect of Corporate Performance Against Quality Obsession

Based on the significant value for the variable job satisfaction is more than 0.05 0.065 ($0.065 > 0.05$) with the coefficient of 0.079, so H0 is accepted, in other words quality obsession partially no positive effect on company performance. This proves that in the application of the principle of an obsession with quality cannot be done partially but must together with TQM principles other interrelated, e.g. if a company wants to obsession on quality, the company must also address factors like focus on the customer because of the characteristics hotel product which is a service and continuous improvement

The results of the questionnaire obsession with quality has a total score that is in the category of "enough", and this is because the company did not perform maintenance or care about the hotel facilities on a regular basis, causing the complaints of customers as a result of dissatisfaction with the quality of service. The results are

consistent with the results of research by Citraluki (2016) who found that there obsession with quality has no effect on company performance.

Effect of Teamwork Throught Corporate Performance

Based on the significant value for the variable Teamwork at 0.035 less than 0.05 ($0.035 < 0.05$) with posititf coefficient of 0.100, so H_0 is rejected, in other words teamwork positive effect on company performance. This means increasing teamwork, firm performance will increase, on the contrary the teamwork, firm performance will decrease.

Teamwork is a form of work in groups and are complementary to the skills each - each and are committed to achieving a common goal which is to make customers feel satisfied. With the teamwork of employees will be easier to do his job than do it themselves. Research conducted Psomas and Jiju (2017) found similar results that teamwork significant effect on the performance of the company. This is similar to research Saputra (2014), Sari and kusuma (2018) and, Purba and Rica (2014), has been examined previously and stated that teamwork effectcompany performance.

Effect of Employee Empowerment Throught Corporate Performance

Significant value for the variable employee empowerment of 0.009 is less than 0.05 ($0.009 < 0.05$) with a 0.074 coefficient posititf, so H_0 is rejected, in other words the employee empowerment positive effect on company performance. This means that the companies engage employees, the more the performance of companies, are menngkat. This is in line with the results of Alvin et al (2014) and Sputra (2019).

Hotel Bumi Ayu always involve his staff in decision making, so the decision was not only taken from one side only. Besides involving employees in decision-making will increase the sense of responsibility and a sense of having them on their enterprises. With employee empowerment employee will pull out all the potential that exists within him thus improving performance. Good employee performance will influence the productivity of the company.

Employee Empowerment moderating effect on the customer focus of company performance

Based on significant value to a variable focus on customers by empowering employees as moderating by 0.023 less than 0.05 ($0.023 < 0.05$) with a positive coefficient of 0.002, so H_0 is rejected, in other words the effect of employee empowerment strengthen customer focus on the performance of the company , This means increasing the empowerment of employees then focus on customer effect on corporate performance will increase, on the contrary the low level of employee empowerment then focus on customer effect on corporate performance will decrease.

Companies that implement employee engagement and empowerment will provide an opportunity for employees to develop and perform optimally. Employee empowerment will foster a sense of having companies that appear on individual initiative to make improvements on an ongoing basis so aan provide the best pelyanan to consumers. The results are consistent with research by Dubey et al. (2015), Myedyiana et al. (2014) and Mosadegrhad (2015), which states that the Employee Empowerment strengthen the application of Total Quality Management that focus on customers in the company.

Employee Empowerment obsession moderating effect on the quality of company performance

Based on significant value to the variable quality obsession with employee empowerment as a moderating amounted to 0.519 greater than 0.05 ($0.519 > 0.05$) with a positive coefficient of 0.001, so H_0 is accepted, in other words not strengthen employee empowerment obsession effect the quality of corporate performance. This means empowering employees do not effect the increase or decrease the effect of focusing on the customer and company performance.

The results of this hypothesis was related to the results on the quality of H2 obsession sodium absorption ratio effects the performance of the company due to lack of maintenance and upkeep of the hotel facilities by the company. Based on the results of quality obsession that has no significant effect then automatically variable strengthen employee empowerment cannot effect the quality of the performance of the company's obsession. This is in line with research by Mosadegrhad (2015) who found that employee empowerment can strengthen the effect quality obsession.

Employee Empowerment Teamwork moderating effect on company performance

Based on the significant value for the variable teamwork with employee empowerment as a moderating amounted to 0.039 less than 0.05 ($0.039 > 0.05$) with positive coefficient of 0.001, so H_0 is rejected, in other words the effect of employee empowerment strengthen team collaboration on corporate performance. This means the empowerment of employees effects the increase or decrease in the effect of teamwork on company performance. These results are consistent with research by Islami (2017) and Mosadeghrad (2015).

In the empowerment of employees, the company tried to improve the team's expertise and train employees to master their own (self-control). This makes the employees will be easier to work in a group, where it can have an effect on improving employee performance, which in turn will have a positive effect on company performance.

V. CONCLUSION

The results showed TQM variables such as customer focus and teamwork have a significant effect on the performance of the company and employee empowerment to strengthen connections tersebut but an obsession with quality is not a significant effect on the performance of the company. It is proved that Bumi Ayu should apply the principle of an obsession with quality balanced with the principles of TQM the other.

From this study it can be concluded that the implementation of the principles of TQM fine on a company, it will effect the improvements in the performance of companies in the enterprise, because theoretically it is a TQM have a positive effect on performance, because the main goal of TQM is the improvement of product quality continuously by involving quasi-members of the organization.

This study is expected to provide information to the management company that can be used as consideration in corporate strategy decision. This study proves that the empowerment of employees play an important role in improving employee productivity through employee involvement in policy making. This is consistent with the theory that states that TQM TQM program that delegating responsibility for quality on the shop-floor employees will tend to be two times more successful than that implements the top-down direction. The management also need to pay attention to the principle of obsession with quality as the existing facility to perform maintenance on a regular basis in order to achieve optimal performance.