

Organisational practices and total quality management: The mediating role of employee engagement and job satisfaction

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ABSTRACT

Title: Organisational practices and Total Quality Management: The mediating role of employee engagement and job satisfaction.

Key terms: Internal organisational practices, Total Quality Management, employee engagement and job satisfaction

The global scenario today, requires that an organisation is at all levels and in all its different aspects fully functional and operational. This is essential because the organisational divisions namely the stakeholders, operations, human resources, marketing, management and employees are all interrelated. Amongst these, the employee becomes the most critical stakeholder of the company. Thus, it is crucial that each employee feels motivated to work as it will maintain organisational productivity as well as enhance the company's brand value. In order to establish this, organisations have to take care of organisational practices that include recruitment and selection, technological improvement, training and development, job satisfaction, performance management, internal communication, quality system improvement and organisational support.

According to the literature, employee engagement and job satisfaction are perceived to be the mediating factors in the relationship between internal organisational practices and Total Quality Management. This study focused on the banking sector, and the roles of employee engagement and job satisfaction as mediators of Total Quality Management and Internal Organisational Practice. The research applied self-constructed instruments to measure Total Quality Management and the short version of the established UWES measuring instrument that was reduced to nine questions to measure employee engagement. Job Satisfaction was assessed using Job Satisfaction Scale (JSS). A questionnaire was formulated in correspondence with the research questions. It was then divided into different sections such as biographical data, job satisfaction, training and development, employee engagement, Organisational practices, performance management, recruitment and selection, Organisational support, internal communications, Total Quality Management, quality systems improvement and technology improvement.

The research confirms that statistically significant positive correlations (practically

significant, large effect) exist between employee engagement and job satisfaction. This is indicative that, the more engaged employees are, the more satisfied they will be with their job, and vice versa. No correlations were however, found in the sample of employees working in the banking industry between employee engagement, job satisfaction and organisational practices. Also, there is no correlation between employee engagement, job satisfaction and Total Quality Management. Yet, statistically significant positive correlations (practically significant, large effect) existed between the constructs of organisational practices, i.e. performance management, recruitment and selection, organisational support, internal communication, training and development and the combined organisational practices construct and the constructs of Total Quality Management, i.e. Total Quality Management General, quality system improvement, technology improvement and the combined Total Quality Management construct. Regression analysis was used to determine the mediating effect of employee engagement and job satisfaction between Organisational practices and Total Quality Management. Results indicate that although organisational practices are significant predictors of Total Quality Management, neither employee engagement nor job satisfaction mediate this relationship.

The limitations of the research were identified, and recommendations for the banking sector and future study were made.

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The reader of this paper is reminded of the following

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- This dissertation is submitted in full theses format.

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GLOSSARY OF TERMS

TQM – Total Quality Management

CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

1.1.1 Background of the Study

This Chapter explores internal organisational practices and its relation to Total Quality Management (TQM). In addition, the Chapter determines the mediating effect of employee engagement and job satisfaction on this specific relation.

The maintaining of quality in an organisation to the expected levels is usually challenging for any organisation. Thus, every organisation has to carefully consider its organisational practices in order to attain Total Quality Management (TQM). These organisational practices mainly comprise of internal procedures like internal communications. “Other organisational practices consist of things like the organisation structures, job titles in the specified organisation, how work and job routine is structure in the specified organisation, and the systems used for executing work in the specified organisation” (Rich, Lepine, & Crawford, 2012:617).

Inferences from this study will also provide clearer and broader perspective that organisations of any kind might use to provide its workers with an exclusive work friendly environment. A work friendly environment can be attained through organisations revisiting their systems of work and amending it to better fit changing lifestyles and preferences of its employees. These changes will “ensure that the organisation has considered the fundamental meditating roles of employee engagement and job satisfaction” (Trussa, Shantz, Soane, Alfes, & Alfesd, 2013:2664). Some of the systems used for executing work in organisations will be analysed in this particular study. These systems “comprise of recruitment and selection, training and development, performance management, internal communications in the organisation and the significance of up to datedness” regarding technology (Rich, *et al.*, 2012:1618).

The mediating role of employee engagement and job satisfaction in the relationship between internal organisational practices is regarded as a “primary means of competitive advantage or a predecessor of productivity” in an Organisation (Biswas & Bhatnagar, 2013:39). The research by Welch (2011:54) show that “employee engagement and job satisfaction are closely linked to organisational practices such as the organisation structure, job title, how work is structured and the systems employed for the execution of work”. These systems are inclusive of recruitment and selection processes; training and development; management of performance; internal communications; and technology.

A study of Suharti and Suliyanto (2012:130) confirms that “employee engagement is of great essence” to an organisation and that there are “various components rising from employee engagement such as increased work performance, effective work organisation, and well-managed work systems”. Organisations tend to dedicate a higher emphasis on employee engagement as it leads to “increased and improved work performance” (Suharti & Suliyanto, 2012:130). Welch (2011:56) indicates that the “presence of employee engagement mostly brings job satisfaction, commitment, and patriotism to the workplace”. Suharti and Suliyanto (2012:131), state that “employee engagement is an indication that there is TQM in place in an organisation”.

Various studies have also considered job satisfaction to be a construct preceding TQM (Suharti & Suliyanto, 2012:130; Welch, 2011:57; Trussa, *et al.*, 2013:2658). The concept of “job satisfaction can be deduced from how employees engage” in the workplace. There appears to be a healthy relationship that co-exists between the workforce’s perception of their seniors, organisational fairness and the workforce’s role in the process of decision making with regard to critical issues and challenges in their workplace (Rasheed & Khan, 2013). It is evident that motivated employees exhibit the following primary factors, namely job satisfaction and organisational practices comprising of the structure of the organisation, job titles, job structure and the systems used for executing the work in an organisation (Rasheed & Khan, 2013). All these factors can be termed as the predecessors of organisational practices and TQM (Milliken, Schipani, Bishara & Prado, 2015).

Suharti and Suliyanto (2012) indicate that TQM is of great essence to an organisation's progress. TQM is defined as the management system that is more focused on the needs and interests of customers by involving the entire workforce with the aim of continual improvement (Suharti & Suliyanto, 2012:130). Proper organisational practices and TQM, can be perceived as the core steering wheels of an organisation with the aim reaching success. Ram and Prabhakar (2011) identify systems to execute work and confirm that it involves the approach for both employee selection and employment mechanisms, training and development, performance management, how communication is conducted within an organisation and the overall quality of management in an organisation.

The relation between engagement and job satisfaction and its mediating effect has been researched numerous times. In some research, the focus was mainly on the impact of mediation on the relationship that co-exists between its antecedences and the results which comprise of job satisfaction, loyalty, and involvement (Jiony, Tanakinjali, Gom, & Sigantul 2015; Suharti & Suliyanto, 2012). Other studies focused on the relationship that promotes employee engagement and satisfaction with employee performance (Ram & Prabhakar, 2011).

The mediating effect of employee engagement and job satisfaction regarding performance seem to be relying on two theoretical arguments. The first perspective is that high participation in the workplace, i.e. workers' involvement, can be enhanced through empowerment, decision ownership, work autonomy and engagement. Research have depicted that "high involvement practices" are usually not constant in their emphasis, especially when put into practice (Ram & Prabhakar, 2011:48; Rich, *et al.*, 2012:618; Welch, 2011:330). The second perspective is that the "number of practices inclined to leverage the productivity of employees" is to involve them in a more accountable and responsive way. From these perceptions, it can be deduced that workers' engagement can be attributed to their loyalty and how they incorporate the goals of an organisation such as that of achieving TQM and also from joining personal and organisational quests (Suharti & Suliyanto, 2012). Greater outcomes of an organisation can be derived from committed and engaged employees (Pandey& David, 2013).

An organisation that has proper organisational practices and offers TQM to its workforce usually exhibits positive consequences such as a decrease in labour turnover and absenteeism, higher retention, greater employee flexibility and growth of skills among the employees (Ram & Prabhakar, 2011).

The primary contribution of this study is built on the various factors that relate employee engagement with job satisfaction when considering both their effect on the organisation's progress (Rasheed & Khan, 2013). The current study examined various practical examples of workplace practices and the corresponding TQM, and the mediating role of employee engagement and job satisfaction. The ultimate beneficiaries of this particular research turn out to be organisations such as academic institutions and business organisations that are concerned about their achievements.

1.2 PROBLEM STATEMENT

Many business enterprises, companies, and organisations fail to reach their goals and objectives, mainly due to reduced output from their employees. Biswas and Bhatnagar (2013:39) and Trussa, *et al.* (2013:2659) indicate that the “primary causes of reduced output” from employees results from poor organisational practices and a lack of TQM.

Research has depicted that the lack of proper organisational practice and TQM lead to inefficient output in the workplace (Pandey & David, 2013; Sze & Angeline, 2011; Trussa, *et al.*,2013). Maintaining quality management in the workplace is hard as lots of sophisticated internal practices exist in the workplace including internal communication and performance management. Improper operational systems in many companies and businesses have always been the “core of a competitive employment environment” (Suharti & Suliyanto, 2012:130). Unfortunately, the majority of organisations fail to revisit their operational systems, which results in a negligence to make any amendments.

The most critical changes that have been neglected in the course of developing a work fraternal organisation, are prioritising employee engagement and job satisfaction. Assumptions made on

several studies have depicted that organisations do not know that employee engagement play a critical role and in fact, may mediate the relation between organisational practices and TQM (Milliken, *et al.*, 2015; Trussa, *et al.*, 2013).

The workforce that exhibits employee engagement, therefore, portrays a direct reflection of job satisfaction since employees who are satisfied have been perceived as hard working (Milliken, *et al.*, 2015). In a study carried out by Welch (2011), it was found that higher levels of employee engagement are evident when employees experienced job satisfaction. It is evident that higher levels of job satisfaction are experienced when employees hold the view that quality performance management is established in the organisation. Therefore, performance management is critical in every organisation if fruitful results are to be achieved. Moreover, shortcomings in organisational support, technological improvements, and internal communication seem to be the principal issues that lead to poor performance in the workplace (Milliken, *et al.*, 2015).

The next section below discusses the validity and relation of the study to the current business environment.

1.3 STUDY JUSTIFICATION

The aim and objective of any organisation during its establishment are to prosper. However, most organisations fail to reach their goals and objectives due to numerous limitations that come underway and prevent success from being easily achieved (Welch, 2011). Moreover, the failure of many organisations often occurs as a result of poor management and administration from within the Organisation and not the external factors (Welch, 2011). As such, this study will bridge the informational gap on the mediating role of employee engagement and job satisfaction on the relation between organisational practices and TQM.

However, a majority of the studies have been based on the “antecedents of job satisfaction and organisational practices” (Rasheed & Khan, 2013:186; Rich, *et al.*, 2012:618; Welch, 2011:330). Attributes of TQM in the workplace, employee engagement, and job satisfaction make this

particular research unique, as it demonstrate the interplay between these mentioned factors and the subsequent results. Recommendations provided from this research will be of paramount importance to an organisation of any type and niche as it may give an insight into the importance of proper employee treatment in the workplace and its relevance in creating job satisfaction. In this regard the current research in some ways, advocates for organisations to provide their employees with a work-friendly environment to realise their objectives regarding TQM (Rasheed & Khan, 2013).

The study explored the mediating role of employee engagement and job satisfaction, specifically present in the relationship between organisational practices and TQM. In this context, the organisational practices observed through this study involve specific practices that only take place or is evident in organisations, like the structure of the organisation, the hierarchy and/or ranking within the organisation and how work is generally executed in an organisation (Wong & Laschinger, 2013).

The study investigated the effects of insufficient employee engagement and job satisfaction through an evaluation thereof. Literature shows that motivated employees are deemed to implement organisational practices such as utilising the latest technology, recruitment policies among many others to attain TQM (Welch, 2011). On the other hand, dissatisfaction and low engagement levels result in “poor performance” and “little loyalty” in the workplace among many other organisational practices (Jiony, *et al.* 2015:23).

The current research study attempted to answer the following research questions:

1.4 RESEARCH QUESTIONS

- i. How are organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements), TQM, job satisfaction and employee engagement conceptualised in the literature?
- ii. How are the relations between employee engagement, job satisfaction, organisational practices (i.e. performance management, recruitment and selection, organisational

support, internal communication, quality systems improvement and technological improvements) and TQM conceptualised in the literature?

- iii. What are the relations between employee engagement, job satisfaction, organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements) and TQM?
- iv. Does employee engagement and job satisfaction mediate the relationship between organisational practices and TQM?

1.5 RESEARCH OBJECTIVES

The research objectives of the study are divided into general and specific objectives.

1.5.1 General objective

The primary objective of this research is to ascertain the mediating role of employee engagement and job satisfaction on the relationship between organisational practices and TQM. Moreover, it aims at discovering the advantages that an organisation or business has in adding value to its workforce when practicing TQM.

1.5.2 Specific objectives

The study has some specific objectives that are expected to be attained at the end of this research. The objectives to be reached are:

- i. To conceptualise organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements), TQM, job satisfaction and employee engagement from the literature;
- ii. To conceptualise respective relations between employee engagement, job satisfaction, organisational practices (i.e. performance management, recruitment and selection,

- organisational support, internal communication, quality systems improvement and technological improvements) and TQM from the literature;
- iii. To determine the relation between employee engagement, job satisfaction, organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements) and TQM in a sample of employees working in the banking industry.
 - iv. To determine the mediating role of employee attitudes (employee engagement and job satisfaction) in the relationship between internal organisational practices and TQM in a sample of employees within the banking and insurance sector; and
 - v. To make recommendations for future research.

1.6 RESEARCH METHODOLOGY

The research methodology entails a literature review and an empirical study.

1.6.1 Literature review

The literature study included the following topics; TQM and internal organisational practices such as performance management, recruitment and selection, organisational support and internal communication. Employee attitudes such as job satisfaction and employee engagement are discussed by focusing on definitions and how they relate to organisational practices and TQM. The reviewed literature comprised of published articles, journal articles, printed materials such as books, and the Internet (Google scholar, eBooks and NWU online library). An overview is given of the conceptualisation of these constructs in the literature and on the findings in terms of measuring employee engagement, job satisfaction, Total Quality Management and organisational practices.

1.6.2 Empirical Study

1.6.2.1 Research Design

A quantitative approach was applied to reach the objectives of the study. The survey method applying questionnaires was used for data gathering purpose. A cross-sectional survey design

was applied to for data collection and to achieve the research objectives. Cross-sectional survey designs are bestfit for use in examining groups of subjects in various stages of development, simultaneously (Cohen, Cohen, West, & Aiken, 2013:61) in a short period of time, which can vary from one day to a few weeks (Hallikas, Immonen, Pynnönen & Mikkonen 2014:56). The survey is a data collection technique in which questionnaires are used to gather data about an identified population. This design is also used to assess interrelationship among variables within a population (Dunn, Baguley, & Brunsten, 2014:400). The cross-sectional survey design is best suited to address the descriptive and predictive functions associated with the correlation design, whereby relationships between variables are examined.

1.6.3 Measuring battery

The following questionnaires were administered to measure the various constructs depicted to meet the research objectives:

Biographical questionnaire: was developed to gather information about the demographical characteristics of the participants. Information gathered included age, gender, education, marital status, years in service (tenure), department of work and scale of monthly net income.

Employee Engagement: A shortened variant of the *Utrecht Work Engagement Scale* (UWES) was applied to measure employee engagement. The shortened variant of the Utrecht Work Engagement Scale (UWES) has 9 items instead of the usual 17 items. The UWES incorporates three subscales that measure the positive aspects of dedication vigour, and absorption (Schaufeli & Bakker, 2003:26). Each of these subscales had three domains that applied a 7-point Likert scale with a range between 0-6 (0 being never and 6 being a lot). The typical questions for vigour included: “*I feel energy burst due to my work*”, while for dedication it was: “*My work makes me feel enthusiastic*”, and for absorption it stated: “*I feel motivated to work intensely*”. Storm and Rothmann (2003) discovered the following alpha coefficients for the longer UWES version in a sample of 2 396 members of the South African Police Service: Vigour: 0,78; Dedication: 0,89; Absorption: 0,78. A sample of employees in an insurance company demonstrated the following alpha coefficients in a study by Coetzer (2004) found: Vigour (0,80); Dedication (0,87), and Absorption (0,69). Swart (2007) found in a sample of employees working in the insurance

industry that only one factor could be extracted from the UWES, explaining 58,11% of the total variance. This factor was labelled 'Work Engagement' and the Cronbach Alpha Coefficient of this factor was 0,93. The reliability and validity of the shorter variant of the UWES was also determined in this study.

Job Satisfaction: was assessed using the Job Satisfaction Scale (JSS) developed by Hellgren, Sjöberg and Sverke (1997). This is made up of 8 items measuring employees' overall satisfaction with their present job. The responses were structured on a Likert-scale ranging from 1 (Very unsatisfied) to 5 (Very satisfied). Typical questions included "*I am motivated to report at work daily*", "*My company recognises and respect my work*" and "*My company remunerates me well*". ($\alpha = 0.86$)

Organisational Practices: was measured via a self-constructed instrument. There are many organisational practices but the focus of this study was on those internal to the organisation. Internal organisational practices are those practices within an organisation that have a direct impact on their workforce's relationships and tasks (Rich, *et al.*, 2012:618). Five internal organisational practices were measured, namely Performance Management; Recruitment and Selection; Organisational Support; Internal Communication; as well as Training and Development. Reliability and validity were determined during the study. Participants were first asked to rate the importance of various organisational practices from being *least important* to *most important*. Thereafter questions pertaining to the noted sections were asked. The responses were arranged on a Likert-scale ranging from 1 (Strongly Agree) to 5 (Strongly Disagree).

- **Performance Management:** is aimed to measure participants' perception of their company's performance management system. This section contained six items and typical questions included "*The company often sends its staff for professional seminars, and technical training to promote technical quality management knowledge*" and "*Management communicates a clear vision on the future direction of the organisation about quality and efficient performance*".
- **Recruitment and Selection:** is aimed to measure participants' perception on whether recruitment and selection processes in their organisation meets organisational needs. This

section consisted of four items and typical questions include “*Recruitment and selection process meets organisational needs*” and “*Internal recruitment and selection process effectively identifies the right workforce*”.

- **Organisational Support:** is aimed to measure participants’ perception of support that their organisation offers. This section was made up of four items and typical questions included “*My co-workers give me reasonable support to perform my job*” and “*I think my employer provides reasonable degree of work flexibility*”.
- **Internal Communication:** is aimed at measuring participants’ perception of the internal communication process within their organisation. This section consisted of five items and typical questions included “*My company has a communication team responsible for evaluating and planning internal communication practices*” and “*My company conducts two-way forums for employees*”.
- **Training and development:** is aimed at measuring participants’ perception of the training and development programme within their organisation. This section comprised of six items and typical questions include “*The company encourages the staff to consider furthering education and training*” and “*Our company allocates resources for employee education*”.

TQM: was measured through a self-constructed instrument. The formulation of this instrument was guided by the literature reviewed and initial discussion with some of the branch managers who identified key issues relating to TQM. Therefore this instrument was constructed to specifically address those issues. Two sections were measured namely Quality System Improvement and Technology Improvement. Reliability and validity were determined during the study. In the first instance, participants were asked to rate their perceptions in general regarding TQM. The rating was done on a Likert-scale ranging from 1 (Strongly Agree) to 5 (Strongly Disagree). Some of the items included “*The quality management administered in my company is responsible for the quality products*” and “*Without the organisation’s management, there would be no quality services*”. Four more questions were added to determine the participants’ understanding of TQM and the role it plays within organisations. Thereafter questions pertaining to the noted sections were asked. The responses were arranged on a Likert-scale ranging from 1 (Strongly Agree) to 5 (Strongly Disagree).

- **Quality System Improvement:** is aimed to measure participants' perception of their organisation in terms of quality system improvement processes. This section entailed six items and typical questions included “*My department has a formal methodology for systems development*” and “*The methodology for systems development is clearly documented*”.
- **Technology Improvement:** is aimed to measure participants' perception on whether their organisation invests in technology improvement to attain TQM. This section consisted out of 11 items and typical questions were “*My department is planning to acquire new hardware and software for supporting systems development methodology*” and “*I think I need a more sophisticated computer to perform my work better*”.

1.6.4 Statistical Analysis

The statistical analysis was carried out by applying the SPSS-programme (SPSS Inc., 2009). The data analysis ascribed to descriptive statistics. Cronbach Alpha Coefficients were employed to ascertain the internal consistency, unidimensionality, and homogeneity of the measuring instruments (Dunn, *et al.*, 2014:400). The Cronbach Alpha Coefficient is important determining the proportion of variance of the items of a scale in terms of the total variance of the particular scale explained.

Pearson product-moment correlation coefficients were used to specify the relationships between the variables. In terms of statistical significance, it was decided to set the value at a 95% confidence interval degree ($p \leq 0,05$). Effect sizes (Steyn, 1999) were used to determine the practical significance of the findings. A cut-off point of 0,30 (medium effect, Cohen, *et al.*, 2013:62) was set for the practical significance of the correlation coefficients.

Moderate regression analysis was employed to assess the importance of the variation between the mediating roles of employee engagement and job satisfaction in linking appropriate internal organisational practices with TQM. The significance of this tool is to test whether the mean variations among the chosen groups in a combination of dependent variables have the capability of occurring by chance (Cohen, *et al.*, 2013:61).

Moderate regression analysis was used to develop a dependent variable that maximises group difference and was established from the set of dependent variables. The likelihood of the data was ascertained using Wilk's Lambda. While gauging the probability of the data, the same population means vectors were taken for all the groups. This was the possibility on the assumption that the population mean vectors were similar to those of the sample mean vectors for the various categories. In those occasions whereby the effect is significant in moderate regression analysis, ANOVA (one-way analysis of variance) was employed to determine the dependent variable that had been affected. Since many ANOVAs had to be used in the study, Bonferroni-type adjustment was established in the survey for inflated Type I error. Lastly, Tukey test was carried out to signify the categories that differed significantly when ANOVA's were performed.

1.7 CHAPTER DIVISION

The mini-dissertation is presented in the following chapters:

Chapter 1: Introduction and problem statement – Chapter 1 provided an introduction to the context and background of the research study. The Chapter progressed from defining the problem statement and layout of the research objectives, to concluding with a description of the research methodology that was utilised.

Chapter 2: Literature review – Chapter 2 explores TQM, job satisfaction, employee engagement and internal organisational practices such as the organisation structure, job title, how work is organised and the systems employed to execute work including recruitment and selection processes; training and development; management of performance; internal communications and technology. The literature provided an overview of published research papers about organisational practices and their importance to organisations that would like to achieve success through TQM. The literature was explored to provide an understanding in the various theoretical aspects of the study.

Chapter 3: Research Methodology – Chapter 3 addresses the objectives of the study. It further details the research methodology that was utilised, the participant characteristics of the sample and the statistical analysis processes that were applied.

Chapter 4: Empirical Study – Chapter 4 details the analysis of the collected data through statistical means and provides a subsequent discussion of the results.

Chapter 5: Conclusions, limitations and recommendations – Chapter 5 draws conclusions based on the detailed results of the data analysis, and presents general recommendations for future research as well as specific recommendations with regard to the banking sector.

1.8 CHAPTER SUMMARY

Many organisations fail to reach their goals and objectives mainly due to poor output from their employees. Maintaining quality in an organisation to the expected levels are usually also very hard. For TQM to be attained, every organisation needs to carefully consider its organisational practices which primarily comprise the internal practices such as internal communications, organisation structures, the job titles in the specified organisation, how work and job routine is structured in an organisation, TQM as well as the operational systems for executing work in the organisation.

This particular study is unique since it incorporates attributes of TQM in the workplace, job satisfaction, and employee engagement. Recommendations provided from this research will be of paramount importance to an organisation of any type and any niche as it gives an insight on the importance of proper employee treatment in the workplace and its relevance in creating job satisfaction, an essential part for healthy outcomes in an organisation.

This chapter presented the context and background for the research. It covered the problem statement, research objectives, and research method implemented to execute the study. Finally, it presented a layout of the chapters contained in the document.

Chapter 2 deals with the relevant literature related to the study

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

Productivity in any organisation relies heavily on both organisational practices and TQM which are usually brought about by proper employee engagement and job satisfaction. Proper organisational practices and TQM lead to positive effects such as low labour turnover and absenteeism, higher levels of retention and flexible employees which are advantageous to any organisation or business (Trussa, *et al.*, 2013:2660). However, many organisations do not usually attain these aspects. The lack of having proper organisational practices and TQM is a major challenge that makes many organisations fail to achieve their target goals and objectives (Trussa, *et al.*, 2013:2660).

The current review of literature provides a critical review of other research that had been conducted prior to the current study, which also focused on the mediating effect of employee engagement and job satisfaction and the relationship between organisational practices and TQM in an organisation. Also, the literature review considers the relationship between employee engagement and job satisfaction and how this construct relate to both organisational practices and TQM.

Internal organisational practices are discussed in the first section of the Chapter as it forms part of the major variables in this study. An evaluation of the importance of organisational practices is evaluated denoting how it plays a role in enhancing TQM, and how it is mediated by employee engagement and job satisfaction.

2.2 INTERNAL ORGANISATIONAL PRACTICES

Predominantly found just outside the central culture of an organisation, internal organisational practices denote the behaviours and deeds of an organisation's workforce (Rich, *et al.*, 2012:618). Usually, confused with the features making up the culture of a firm, business or an

organisation, organisational practices are, however, the present employees' behaviours that change ideas to deeds that maintain the culture co-existing within an organisation (Patapas & Smalskys, 2013:12).

Figure 2.1 and Figure 2.2 indicate how internal organisational practices and external organisational practices are aligned with the core culture of an organisation. Organisational practices are broadly categorised into two divisions, namely internal and external organisational practices. Figure 2.1 shows that internal practices are the inner workings of the organisation that affect employee relationships, interactions and accomplishments (Margolis, 2016). Because these organisational practices are closest to the Core Culture, the organisation's consistency in aligning them with the Core Culture will have a major impact on organisational success. Internal organisational practices include the organisation's structure, job titles, how work is organized and the systems for doing work; recruitment and selection; training and development; performance management; internal communications; and technology (Margolis, 2016).

On the other hand, Figure 2.2 shows that external organisational practices are the outside forces of shareholders and stakeholders that have an impact on the organisation (Trussa, et al., 2013). External organisational practices define how organisation interacts with outsiders, those who are not employees. External organisational practices include customers and markets; the products and services that are offered by the organisation; suppliers, vendors and partners (Margolis, 2016).

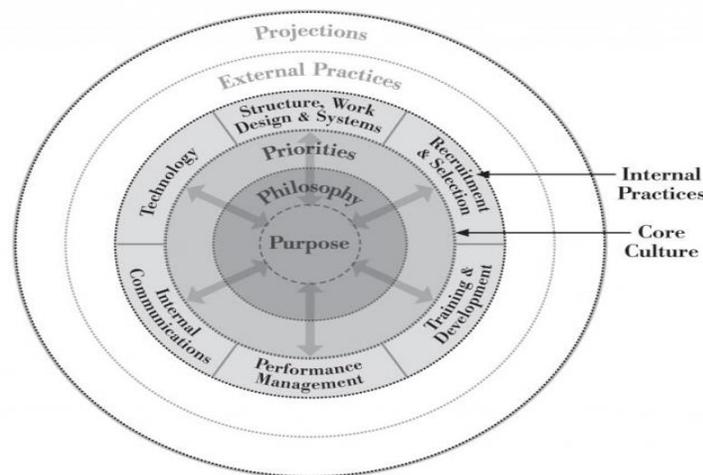


Figure 2.1: Internal Organisational Practices (Margolis, 2016)

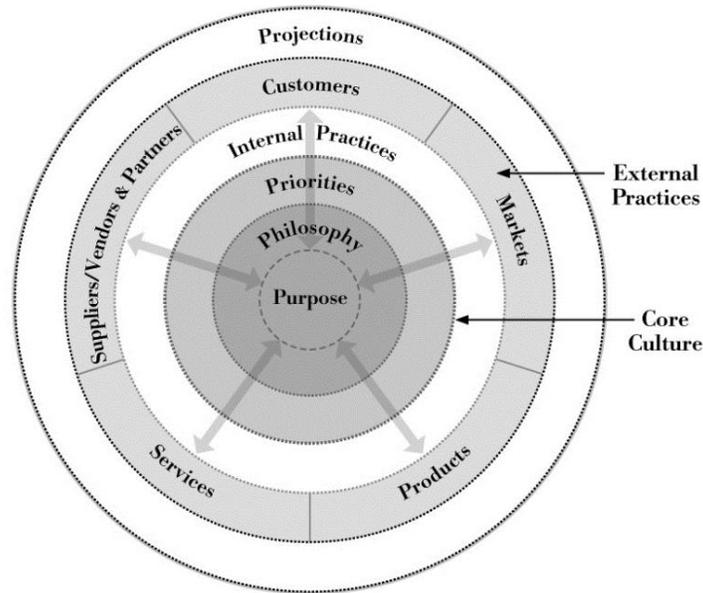


Figure 2.2: External Organizational Practices (Margolis, 2016)

Within the current study, the focus was on the internal organisational practices. Internal organisational practices are those practices within an organisation that have a direct impact on their workforce's relationships and tasks (Rich, *et al.*, 2012:618). Some of the common internal organisational practices comprise of performance management, recruitment, and selection, organisational support to their employees, quality systems improvement and internal communication mechanisms (Trussa, *et al.*, 2013). The way employees perceive their organisation can be employed as a measure of how internal organisational practices are performed in an organisation as well as the management under which it is performed (Patterson, *et al.*, 2005).

Conversely, organisations that enhance organisational practices have been found to be very successful whilst the ones that fail in strengthening the internal organisational practices, have been discovered to fall behind (Patapas & Smalskys, 2013). To enhance performance management, as an internal organisational practice, organisations such as banks and insurance firms, ought to send their employees and managers for professional seminars, and at times technical training. The responsibility of sending them to seminars and training is essential as it promotes TQM by providing the required knowledge on their respective sectors whether banking or insurance (Park, Song, Won Yoon, & Kim, 2013). Moreover, internal communication

mechanisms in banking and insurance firms can be enhanced by creating a culture whereby the employees are involved in solving challenging factors faced by the organisation.

Regarding recruitment and selection, organisations ought to ensure that the processes meet the needs of the organisation. Also, the recruitment and selection processes should clearly define the job competencies (Trussa, *et al.*, 2013). Organisational support for employees can be accomplished in various ways. First, employers ought to provide flexibility in the workplace. Secondly, organisations should ensure that teamwork is highly valued in the organisation and conclusively, the managers and senior staff ought to demonstrate an understanding attitude towards their juniors (Trussa, *et al.*, 2013). The best organisational practices in an organisation are attained when different departments in a bank such as accounting and commerce, cooperate in accomplishing common organisational goals (Rich, *et al.*, 2012).

For proper organisational practices, such as the structure of the organisation, job titles, job organisation and the systems used for conducting work in an organisation to exist, an organisation's management has to be efficient (Suharti & Suliyanto, 2012). TQM is considered the best tool for development for a business or organisation. According to a study carried out by Suharti and Suliyanto (2012), it is depicted that TQM is of great essence in building a culture of organisational practices that is favourable to all parties within an organisation. Moreover, the lack of proper internal organisational practices is a direct indication of the absence of TQM in an organisation (Patapas & Smalskys, 2013). Subsequently, this may be due to the management team in an organisation being responsible for either proper or improper organisational practises. In this regard, the exhibition of either proper or improper organisational practices shows the level of TQM in an organisation. Therefore, for an organisation to impact its strategies; mission; goals; and objectives it has to have both TQM and proper internal organisational practices.

2.3 Total Quality Management (TQM)

TQM can be defined as the management system that is more focused on the needs and interests of customers by involving the entire workforce with the aim of continual improvement (Aryee, Walumbwa, Gachunga, & Hartnell, 2016). For TQM to be reached, the organisation has to use

strategy, data, and efficient communication to incorporate the required quality discipline into the existing culture and activities that are carried out by an organisation (Trussa, *et al.*, 2013).

The presence of TQM has always been noted to produce a resulting effect of quality services, quality products, and overwhelming customer satisfaction. The elements of TQM have been known to be customer focused, resulting in total employee involvement, process centered, reliance on integrated systems, incorporating a strategic and systematic approach and depicting a continual improvement in an organisation (Rich, *et al.*, 2012).

Various studies have found that quality management usually results in customer satisfaction (Aryee, *et al.*, 2016:6; Biswas & Bhatnagar, 2013:39; Park, *et al.*, 2013). Whenever there is TQM in an organisation, quality products are always the outcome (Park, *et al.*, 2013). Yalabik, Popaitoon, Chowne, and Rayton (2013), found that organisations lacking quality management usually fail to produce quality services. However, organisations that are suffering from poor quality management can attain TQM by training their employees on the different mechanism for management. Regarding recruitment and selection, recruiting the right workforce is also critical as it satisfies the needs of an organisation (Biswas & Bhatnagar, 2013:39). On the other hand, employee engagement and job satisfaction are essential in the course of achieving and sustaining TQM (Biswas & Bhatnagar, 2013).

The predecessors of TQM are discussed in the section below.

2.3.1 Predecessors of Total Quality Management (TQM)

Employee engagement, job satisfaction, performance management and training and development are the major predecessors of TQM (Welch, 2011). The educational need of the employees can be seen as the originating base from where an organisation caters for training of their workforce. On the other hand, employee development refers to the process where the employee with the support of his/her employer undergoes various training programs to enhance skills and acquire new knowledge and skills (Chowne & Rayton 2014). The organisation is responsible for allocating resources to its employees for the purposes of its workforce to be trained and educated in their areas of specialisation. For TQM to prevail, it is essential that quality management

methods are put in play. Quality management tools can only be gathered through training (Welch, 2011).

Training is essential for any organisation as it is the foundation of the knowledge base expansion among employees (Park, *et al.*, 2013). However, a majority of employers fail to invest in training as it is considered as expensive not taking into account it forms the foundation of development. Even though training also has drawbacks, its pros still exceed the cons by far (Park, *et al.*, 2013). One of the significant drawbacks that have been discovered in the course of employee training is that sometimes employees tend to neglect work chores as they struggle to balance between work and demanding training schedule, this in turn, delays the completion of an organisation's objectives and/or projects. Training employees help them address weaknesses that they have (Welch, 2011:56). At the end of training, it was found that the majority of employees have improved their performance at work (Shuck, Reio, & Rocco, 2011). Training also educates the employees regarding their work, which results in an increase in satisfaction and employee engagement (Park, *et al.*, 2013).

Shantz, Alfes, Truss, and Soane (2013:2616) indicate that “organisations that encourage their staff to further their education and training, performed better” when compared to those that neglected further education and training. Moreover, organisations that allocated resources for employee education and/or training also performed better in their respective industries (Welch, 2011). Park, *et al.* (2013) found in their study within small financial institutions that many of these institutions failed to train their workforce on quality awareness, resulting in a lack of proper organisational practices and poor management. They depicted that for organisations to be successful, employees should be trained on particular work-skills such as performance management and the utilisation of new technology. Organisations also ought to consider their workforce as valuable and long-term resources that need capacity building throughout their working profession (Suharti & Suliyanto, 2012).

Performance management has to be critical in every organisation, if great results are to be achieved. Moreover, errors in organisational support, technological improvements, and internal communication are the principal issues that lead to lack of TQM in an organisation (Welch, 2011). These are also indicative of the lack of proper organisational practices.

Employee engagement and job satisfaction have been found to play an integral role in the course of attaining TQM (Biswas & Bhatnagar, 2013). Effective leaders and managers in organisation ensure that they have done their best to create an environment that promotes employee engagement and job satisfaction. In return, their organisation attains TQM which is imperative for the development of any kind of organisation.

Aryee, *et al.* (2016) found that to assess the effect of a mediating variable in a relationship between dependent and independent variables, three conditions prove to be of great importance. The first condition is that direct interaction exists between the dependent variable and the independent variable. Secondly, an immediate relationship between the interceding variable and the independent variable need to be present. In the third instance, a direct relationship needs to be in place between the dependable variable and the intervening variable. Within the current study, the aim was to determine the mediating effect of employee engagement and job satisfaction on the relation between internal organisational practices and TQM. Organisational practises is related to TQM since effective TQM is responsible for the presence of proper Organisational Practises.

2.4 EMPLOYEE ENGAGEMENT

Employee engagement can be described as the “binding of the members of an organisation to the job responsibilities that have been assigned to them” (Chung, Cooke, Fry, & Hung, 2015:71). This is done through expressing themselves in different ways emotionally, physically, and cognitively during their time of working. Employee engagement is only possible if the organisational practices are favourable to the employees. Employee engagement can be regarded as the tenacious, positive affective-cognitive nature of fulfilment in employees characterised by vigor, dedication, and absorption (Biswas & Bhatnagar, 2013:). It is the passion and enthusiasm that employees might have towards their work (Aryee, *et al.*, 2016). It is also the willingness to do more than the required. Biswas and Bhatnagar’s (2013) study shows that aspects of employee engagement can only be attained if TQM is practiced in an organisation.

Engaged employees have the capability of creating great value for an organisation by producing outcomes of high value in their course of work (Menguc, Auh, Fisher, & Haddad, 2013). Engaged employees can be characterised by being more creative and proactive thinkers. Engaged employees are also more innovative, have reduced absenteeism levels and lower turnover intentions. Studies carried out on engaged employees indicate that they are more committed and loyal to the organisation where they are employed (Rayton & Yalabik, 2014). They also exhibit patriotic organisational behaviour. In addition to these, they further portray higher job satisfaction.

It is essential for an organisation to have engaged employees as it is evident that such an organisation will prosper, resulting in an increase in their returns and earnings (Chung, *et al.*, 2015). In the same note, employees get energised out of their work and experience higher levels of job satisfaction. Biswas and Bhatnagar (2013), found that engagement intercedes the impact of hierarchical society and authority style on worker dedication. Park, *et al.* (2013) focused on the interceding part of representative participation in the connections between potential precursors of engagement and business related results like occupation contribution and fulfilment. These authors considered four precursors, namely hierarchical and supervisory bolster, workers' impression of authoritative equity, compensation, and work qualities. Yalabik, *et al.* (2014) note the interceding impact of employee engagement in the relationship amongst obstacles and testing requests, workgroup results (i.e. work fulfilment, profitability, and wellbeing) and high association that emerge as outcomes of displaying employee engagement in an organisation.

2.4.1 Employee engagement and how it relates to organisational practices and TQM

In his study, Yeh (2003:257) found that employee engagement, in the form of outward behaviours, is a “necessary predecessor of successful TQM”. His study highlighted and explored the crucial factors that are deeply rooted in the setup of an organisation that either augment or deter the engagement of employees in TQM activities. As such, the study investigated factors such as self-efficacy, job characteristics, social support, individual training, project involvement and organisational structure and how it impacted on employees’ extra additional / outward role behaviours (Yeh, 2003). Characteristics of the work environment were noted to become an

important factor since employees are a crucial aspect of the TQM and enriching their working environment translates to better employees' TQM practices and successful TQM implementation within the organisation (Yeh, 2003)

Moreover, Zajkowska (2012) states that internal organisational practices, such as internal communication, have the potential to increase employee engagement. For instance, the failure of proper communication on how poor business results affect the employees' retirement plans, benefits total rewards and training may lead to uninformed presumptions that minimize employee engagement. According to Denison and Mishra (1995), organisations should be concerned about its employee alignment and engagement by creating conducive internal practices. Many of the contemporary highly involved organisations have seen the need of creating a sense of responsibility and ownership among the employees since it ultimately leads to greater employee commitment and hence engagement (Denison & Mishra, 1995). Their model also propose that organisations should practice enriching customs such as employee empowerment, encourage team orientation and capability development (such as training) among its employees since it ultimately increases employees' engagement (Denison & Mishra, 1995)

2.5 JOB SATISFACTION

Job satisfaction in business is used to denote an “enjoyable or optimistic emotional condition” that comes from the appraisal of an individual's work or their experience executing the work (Tang, Siu, & Cheung, 2014:133). It is an indication of the degree to which employees like or dislike the job that they are doing. This satisfaction or enjoyment comes from the environment at which a person is working at and what the individual is expecting from the workplace (Shantz, *et al.*, 2013). These expectations can be in various forms such as individual needs, features or values.

Job satisfaction as a variable has many dimensions. Some of the dimensions can be described to have aspects or facets of a person's job such as the existing relationship between the workers and the workers' relationship with their superiors (Biswas & Bhatnagar, 2013). Teamwork is a major drive towards attaining job satisfaction. Other factors organisations can apply to attain job satisfaction include good pay and reward systems, better-working conditions, proper

communication, and promotion opportunities, as these all enhance service quality and motivation among the employees (Airila, Hakanen, Schaufeli, Luukkonen, Punakallio, & Lusa, 2014).

There are several advantages to have a workforce of employees that experience job satisfaction. Some of these advantages comprise TQM, higher productivity, and returns for the organisation and proper organisational practices such as more senior workers loyalty, reduced absenteeism, and turnover motives (Biswas & Bhatnagar, 2013). Patapas and Smalskys (2013) indicate that job satisfaction is one of the most studied variables over the past decades related to proper organisational practices. It has also been noted as a mediating factor for proper organisational practices and TQM (Biswas & Bhatnagar, 2013). The mediating aspect of job satisfaction comes from its relationships to other organisations and business' outcomes such as organisational obligation, workers' absenteeism, turnover and their performance. The term job satisfaction implies the positive impact that comes from the appraisal of an individual's job or their experiences in their work environment (Wang, Lu, & Siu, 2015). The major components of job satisfaction comprise of "cognitive, evaluative and affective factors" which are initiators of its mediating role (Dong, Liao, Chuang, Zhou, & Campbell, 2015:1364).

In their research, Langove, Isha, and Javaid (2016:106) note a relation between job satisfaction and organisational practices in that "the more proper the organisational practices, the employees demonstrated to be more satisfied". They also found in a private bank that job dissatisfaction usually tends to result in work stress whilst the existence of job satisfaction resulted in reduced work stress levels in organisations.

Patapas and Smalskys (2013) assert from their study that there is a negative relationship between job satisfaction, time pressure, and system stressors. From this research, it was depicted that role stressors have an impact on job stress and in turn job stress has a negative impact on job satisfaction (Patapas & Smalskys, 2013).

2.5.1 Job satisfaction and how it relates to organisational practices and TQM

Dong, *et al.* (2015) note various mediating factors related to organisational practices and TQM. They indicate that employees tend to be satisfied when proper organisational practices are in

place and this in turn facilitates the work of managers by introducing TQM in any organisation or business enterprise (Dong, *et al.*, 2015). Motivated employees were found to report to work early and never had instances of absenteeism without a valid reason (Trussa, *et al.*, 2013). Moreover, satisfied employees were found to cooperate well with their fellow employees and even their seniors. This, in turn, causes quality management since the senior management team faces fewer challenges when it comes to managing their workforce (Trussa, *et al.*, 2013).

Employee engagement and job satisfaction are closely related due to their mediating effects on organisational practices and TQM (Menguc, *et al.*, 2013). Engaged employees “exhibit their behaviour as a result of satisfaction attained” in the course of working (Dong *et al.* 2015:1364).

2.6 THE RELATION BETWEEN EMPLOYEE ENGAGEMENT AND JOB SATISFACTION

Although Consiglio, Borgogni, Di Tecco, and Schaufeli (2016) claim that employee engagement and job satisfaction are very distinct from each other, Biswas and Bhatnager (2013) found that employee engagement has a positive association with job satisfaction. This implies that when employees experience engagement that they may be more inclined to find their work and related tasks to be more fulfilling and motivating. Higher exhibition of job satisfaction, therefore, seems to come from the positive outcome of work engagement. Biswas and Bhatnagar (2013) note that engaged employees tend to undergo conditions of pleasurable emotional states while at the workplace. Consequently, they may experience more job satisfaction, which may result in organisations finding it easier to incorporate the required organisational practices to attain TQM.

Alfes, Truss, Soane, Rees, and Gatenby (2013) indicate that job satisfaction is, however, not a clear indication that there will be higher productivity in an organisation, but note that employee engagement could be used as a direct measure of job performance and job satisfaction. Park, *et al.*, (2013) state that the differences that were observed in their research between job satisfaction and employee engagement were drawn from the different natures of their constructs. The distinguishing factor for the two constructs is that employee engagement is an active and content

state while job satisfaction is a passive and affective state (Trussa, *et al.*, 2013; Wang, *et al.*, 2015).

The mediating effect of employee engagement and job satisfaction in the course of attaining proper organisational practices and TQM rely on two theoretical arguments. The first perspective is high participation in the employees' working environment (Shantz, *et al.*, 2013:2610). Employee engagement in the workplace can be "enhanced by being empowered, being allowed to partake in decision making, work autonomy and participation" (Wang, *et al.*, 2015:1249). A study carried out by Biswas and Bhatnagar (2013:29) depict that "high involvement practices are usually not constant in their emphasis" when they are put into practice. A second perspective is the number of organisational practices directly related to leverage the productivity of workers by engaging them in a more responsible and responsive way (Wang, *et al.*, 2015). From these notions, it can be deduced that workers' engagement can be associated with job satisfaction and how they incorporate the goals of an organisation and also from joining personal and organisational quests (Wang, *et al.*, 2015). Greater outcomes of an organisation such as proper organisational practices and quality products and services as well as customer satisfaction that make up TQM, can be derived from committed and engaged employees (Biswas & Bhatnagar, 2013).

2.7 CHAPTER SUMMARY

The literature review incorporates some of the aspects of organisational practices such as the organisation structure, job title, how work is structured and the systems employed for executing the work, including processes such as performance management, internal communications, technology, recruitment and selection and training and development. Also, the aspects of TQM have been included with the inclusion of performance management showcasing how proper quality management leads to quality services and goods.

The next chapter discusses the methodology that was applied for the data collection. A clear explanation of how the research instrument was designed and used is given. Moreover, the population and sampling methods are described.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

In this Chapter the research methodology for investigating the mediating effect of employee engagement and job satisfaction on the relation between internal organisational practices and TQM is described. The description includes the research tool that was used, the sample, the method employed to gather the data and the statistical analysis utilised.

3.2 RESEARCH APPROACH

The quantitative data collection method used was a self-administered questionnaire to measure job satisfaction, organisational commitment, organisational practices and TQM. Quantitative research methods involve collection of information that can be analysed numerically or using mathematically based methods such as statistics, of which the results can be presented in statistical format, tables and graphs. It is used to test a pre-determined hypotheses or research questions and produce generalizable results (Marshall, 1996: 522). Quantitative research method was found to be suitable for this study because the study focuses on gathering of numerical data through survey questionnaire to answer research questions that involve opinions, attitude and behaviours of the respondents of which the results could be generalised back to the population. By quantitative methods, researchers refer to techniques of randomised experiments, sample surveys such as techniques that allow for the quantifying of an outcome in numbers to provide an approach for measurement to an exact form (Hallikas, et al., 2014:56).

The self-administered questionnaire was used because of the following reasons:

- Many respondents could be easily reached given that questionnaire was emailed to many employees simultaneously.
- It was relatively cheaper; it minimized the costs associated with travelling for delivery and collection of questionnaires or telephonic interviews.

The research called for the need to gather the sample in the banking sector in order to address both the primary and secondary objectives, as noted in Chapter 1 of the study.

3.3 RESEARCH DESIGN

The research design described the type of questionnaire used to measure independent and dependent variables of the study. It also explained how this instrument was administered to the respondents, clarified the ethical considerations and finally explained how the sample for the research was selected. A cross-sectional survey design was applied to collect the data and to attain the research objectives. Cross-sectional survey designs are used to examine groups of subjects in various stages of development simultaneously (Cohen, et al., 2013:61) in a short period of time, which can vary from one day to a few weeks (Hallikas, et al., 2014:56). The survey is a data collection technique in which questionnaires are used to gather data about an identified population. This design is also used to assess interrelationship among variables within a population (Dunn, et al., 2014:400). The cross-sectional survey design is best suited to address the descriptive and predictive functions associated with the correlation design, whereby relationships between variables are examined.

3.3.1 RESEARCH PROCEDURE

In order to undertake the research, permission had to be obtained from operations managers, branch managers, human resource managers and general managers in the banking sector in Gauteng province. An email requesting permission to conduct research coupled with the proposed questionnaire was sent to managers and the objectives of the research were explained in the same email. Prior distribution, the questionnaire was presented to two managers from two different departments, one was from Branch Banking Operations department and another from Consumer Card Issuing and Acquiring department. This was done in order to gauge managers' understanding, interests, opinions and recommendations before distributing the final questionnaire.

3.3.2 ETHICAL CONSIDERATIONS

The purpose and aims of the study were explained to each participant, and they were made aware that participation was voluntary. Each participant had to sign an informed consent before participating in the research study. They were also informed about the opt-out option if they at any time wish to quit or withdraw from participating in the study. The participants had been made aware that they don't have to write their names nor their surnames in the questionnaires and that all the information, answers, data and actions provided will be kept confidential and will only be used for the purpose of this study only.

3.3.3 PARTICIPANTS

A research population may be described as a group from which the researcher would like to make generalisations. The sample can be described as the group selected within the population, who will partake in the research study. South African banking sector is very big and employs over 100000 people overall. The top four banks, namely Nedbank, Standard bank, Absa and FNB employed over 25000 people each. In this study, the target population was employees working within the South African banking sector inclusive of other smaller banks not mentioned here. The sample was drawn from a single South African bank, headquartered in Johannesburg, South Africa. Non probability sampling in the form of purposive sampling method was used to collect data. Purposive sampling involves selecting a sample based on the target population and the nature of the research aims (Babbie, 2013).

Whilst 150 questionnaires were distributed to employees, a total of 100 completed questionnaires were returned. This reflects a response rate of 66.7%. All 100 questionnaires that were completed were usable, therefore none of them was excluding during analysis. Cases of missing data were omitted from the count and reported as "missing values". Missing values are as a result of unanswered/omitted question by the respondent and this occurs if respondents did not feel comfortable to provide the required information for a particular question.

3.3.2.1 Characteristic of the sample

The sample was comprised of 59% female and 41% male. The largest proportion of the sample was aged 31 to 40 years (52%), followed by 41 to 50 years (25%). 55% of the respondents had bachelor degree, followed by 35% certificate/diploma. In terms of department, 31% of the respondents work for IT department, followed by 27% in operations/customer service/admin department. Work position wise table 3.1 shows 37% work in junior position, followed by senior position at 36%. In terms of marital statuses, 56% of respondents were married, unmarried/single is 40%, divorced 4%.

3.4 MEASURING BATTERY

The questionnaire was structured into six main sections namely Section A – Demographics, section B – Job Satisfaction, Section C – Training and Development, Section D – Employee Engagement, Section E – Organisational Practices and Section F – TQM.

Section B (8 items) -Job satisfaction uses a 5-point Job Satisfaction Scale (JSS) to assess the negative and positive dimensions of job satisfaction: Very unsatisfied (1), Dissatisfied (2), Neutral (3), Satisfied (4), Very satisfied (5). Section C (7 items) - Training and development uses five-point Likert scale to assess if the company encourages employees to further their education and if company allocates resources for employee education: strongly agree (1), Agree (2), Neutral (3), Disagree (4) and Strongly disagree (5). Section D (11 items) – employee engagement uses *Utrecht Work Engagement Scale (UWES)* and each one of the three domains (vigour, dedication and absorption) uses 7-point Likert scale to measure employees' commitment to their organisations: Never (0), Almost never (1), Rarely (2), Sometimes (3), Often (4), Very often (5), Always (6). Section E (6 items) – Organisational practices uses a 5-point Likert to rate the importance of organisational practices: The scale ranged from 1- Least important to 5 – Most important. Organisational Practices section was further split into six sub sections and this was done to gauge how employees will rate the six elements of internal organisational practices individually. The elements are: performance management (6 items), recruitment and selection (4 items), organisational support (4 items), internal communication (4

items), quality systems improvement (6 items) and technological improvement. All six elements use a 5-point Likert scale. Section F (4 items) – TQM, uses a 5-point Likert scale to measure employees’ understanding/knowledge of TQM relative to their organisations, there are various statements/items about TQM in this section and employees were asked to rate each one of them using the scale 1-5 as follows: Strongly agree (1), Agree (2), Neutral (3), Disagree (4) and Strongly disagree (5). TQM questions were constructed specifically for this study to measure how TQM is perceived by employees within their organisations.

3.5 STATISTICAL ANALYSIS

The statistical analysis was carried out using SPSS-programme (SPSS Inc., 2009). Exploratory factor analysis was conducted by means of an oblique rotation using direct Oblimen (an Opblique method rotation) on the main constructs of the study. This technique presumes a nominal correlation between factors and is utilised to determine the possible dimensions of the constructs. The purpose of factor analysis is to reduce the initial number of variables into a smaller and therefore more manageable (easier to analyse and interpret) set of underlying dimensions (Yong & Pearce, 2013:79), called factors.

The adequateness of the sample was determined by means of the Kaiser-Meyer-Olkin (KMO) correlation matrix and the diagonal element of the Anti-Image Correlation. The Bartlett’s test of sphericity was also calculated. This test allows for the examining of the relationship between variables and signifies if the data meet the requirements to continue with a factor analysis (Field, 2009:647). The KMO values were interpreted as indicated in Table 3.1 (Hair, Anderson, Thatham, & Black, 1998:99).

Table 3.1 Interpretation of KMO values

KMO Value	Interpretation
≥ 0,80	Commendable
0,70	Average
0,60	Mediocre
0,50	Miserable
< 0,50	Undesirable

The Anti-image correlation matrix contains the negative partial co-variances and correlations. Diagonals are used as a measure of sampling adequacy. The Anti-image correlation matrix has a cut-off of 0,50. If this requirement is not met, it means that distinct and reliable factors cannot be produced. Items causing diffused correlation patterns as indicated by the diagonal value in the Anti-Image Correlation matrix, was removed (Yong & Pearce, 2013:88).

Descriptive statistics (e.g. means, standard deviations, skewness and kurtosis) were used to analyse the data. Cronbach's Alpha Coefficients were used to determine the internal consistency, homogeneity and un-dimensionality of the measuring instruments (Dunn, *et al.*, 2014:400). Coefficient Alpha contains important information regarding the proportion of variance of the items of a scale in terms of the total variance explained by that particular scale.

Pearson product-moment correlations were used to specify the relationships between the variables. In terms of statistical significance, a 95% confidence interval degree was set ($p \leq 0,05$). Effect sizes (Steyn, 1999) were used to determine the practical significance of the findings. A cut-off point of 0,30 (medium effect) was set for the practical significance of correlation coefficients.

To assess the importance of the variation between the mediating roles of employee engagement and job satisfaction in bringing appropriate internal organisational practices and TQM, moderate regression analysis was employed. The significance of this tool is to test whether the mean variations among the chosen groups in a combination of dependent variables have the capability of occurring by chance (Cohen, *et al.*, 2013:61).

A dependent variable was developed through moderate regression analysis that maximises group difference which was established from the set of dependent variables. The likelihood of the data was ascertained using Wilk's Lambda. While gauging the probability of the data, the same population mean vectors were selected for all the groups. This was the possibility on the assumption that the population mean vectors were similar to those of the sample mean vectors for the various categories. In those occasions whereby the effect is significant in moderate regression analysis, ANOVA (one-way analysis of variance) was employed to determine the

dependent variable that had been affected. Since many ANOVAs were used in the study, Bonferroni-type adjustment was established in the survey for inflated Type I error. Lastly, Tukey tests were carried out to signify the categories that differed significantly when ANOVAs were performed.

3.6 RESEARCH OBJECTIVES

The *primary* objective of this research is to ascertain the mediating role of employee engagement and job satisfaction on the relationship between organisational practices and TQM. Moreover, it aims at discovering the advantages that an organisation or business has in adding value to its workforce when practicing TQM.

The *secondary* objectives of this study are:

- i. To conceptualise organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements), TQM, job satisfaction and employee engagement from the literature;
- ii. To conceptualise respective relations between employee engagement, job satisfaction, organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements) and TQM from the literature;
- iii. To determine the relation between employee engagement, job satisfaction, organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements) and TQM in a sample of employees working in the banking industry.
- iv. To determine the mediating role of employee attitudes (employee engagement and job satisfaction) in the relationship between internal organisational practices and TQM in a sample of employees within the banking and insurance sector; and
- v. To make recommendations for future research

3.7 CHAPTER SUMMARY

This Chapter dealt with the methodology utilised, as it pertained to the research study. The selection of the participants was discussed, and the instruments included in the questionnaire were detailed. The chosen statistical methods for the analysis of the data were provided, along with a discussion around each method.

In Chapter 4, the empirical results of the study are discussed.

CHAPTER 4

EMPIRICAL STUDY

4.1. INTRODUCTION

Chapter 3 provided an outline of the research methodology and the research techniques applied. In this Chapter the results of the empirical study are analyzed and discussed.

4.2 PARTICIPANTS

The participants of this research study were mapped out through an availability sample of employees working in the banking sector. A total population of 150 was targeted. A response rate of 66.7% (i.e.100) was obtained, of which all responses could be utilized. The descriptive information of the sample is noted in the following sections.

4.2.1 Age of respondents

An analysis of ages through frequency crosstabs revealed that respondents were a good mix of different age groups. Most of the respondents (52%) were between 31 and 40 years old. The lowest representation was from the age group 51 years and above (3%).

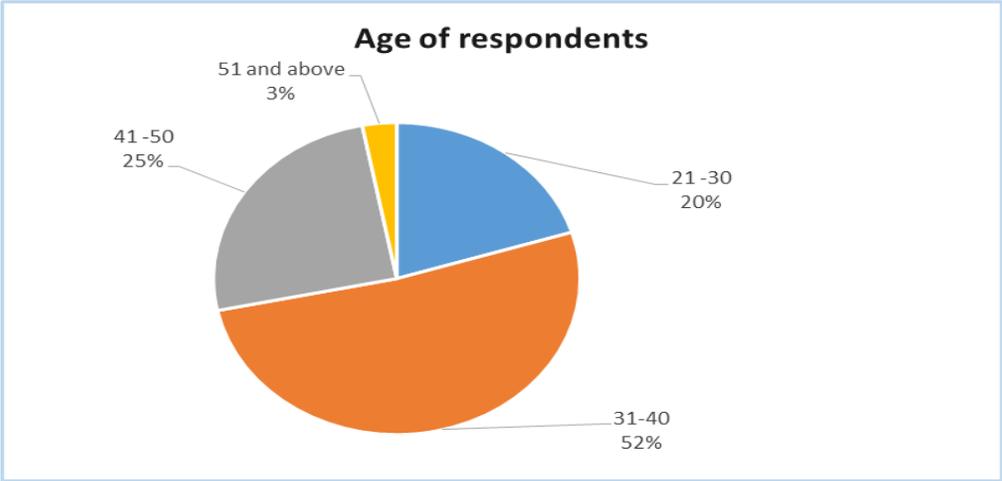


Figure 4.1: Age of respondents

4.2.2 Gender of respondents

An analysis of frequencies for gender revealed that the respondents were a fair mix of Males and Females. There were 41% female respondents and 59% male respondents.

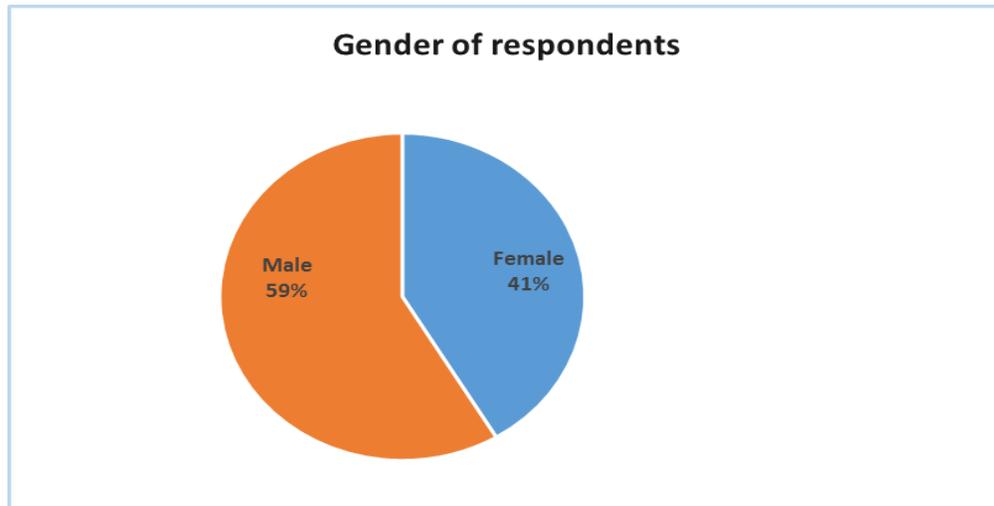


Figure 4.2: Gender of respondents

4.2.3 Marital status of respondents

An analysis of marital status of the respondents revealed that most of them were married (54%) and 40% were single. The combined 6% consisted of respondents that were divorced (4%) and widowed (2%).

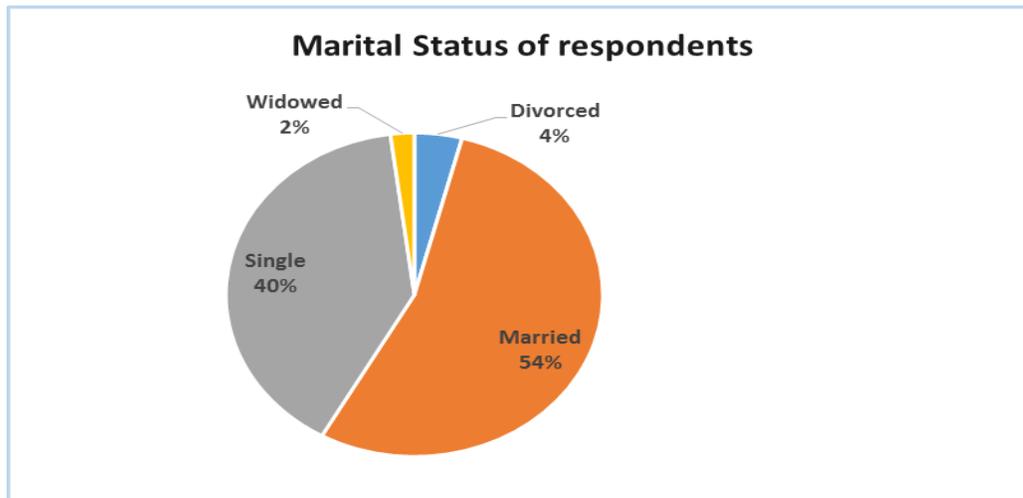


Figure 4.3: Marital status of respondents

4.2.4 Education Levels of respondents

When education levels were analysed, it was observed that just over a half of the respondents (51%) had at least a Bachelor's degree. Only about 9% of the respondents had continued with their Master's degree while 5% completed their secondary school Education.

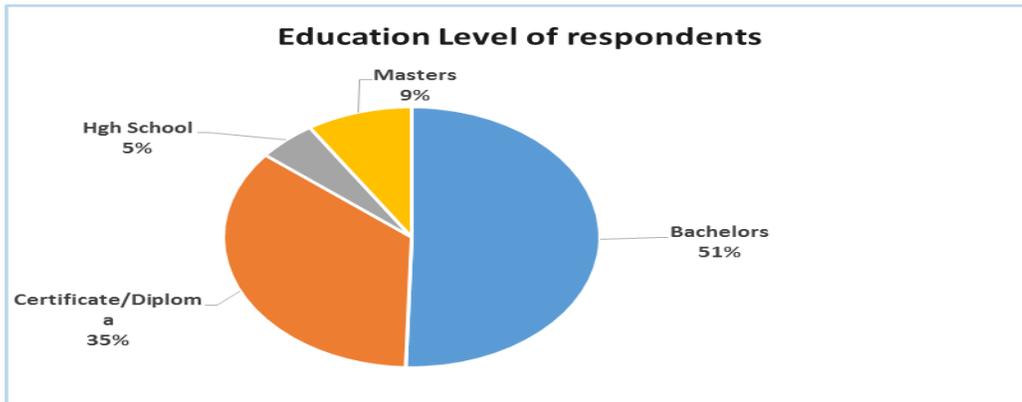


Figure 4.4: Education levels of respondents

4.2.5 Respondents' department of employment

Analysis revealed that 27% of the respondents were working in the Operations/Admin/Customer Service department. The second most populated department of work was Information Technology (31%)



Figure 4.5: Respondents' department of employment

4.2.6 Respondents' work position

Work positions of the respondents were fairly distributed. Of the participants, 38% were employed at a junior level, 28% at a middle management level and 36% at a senior management level.

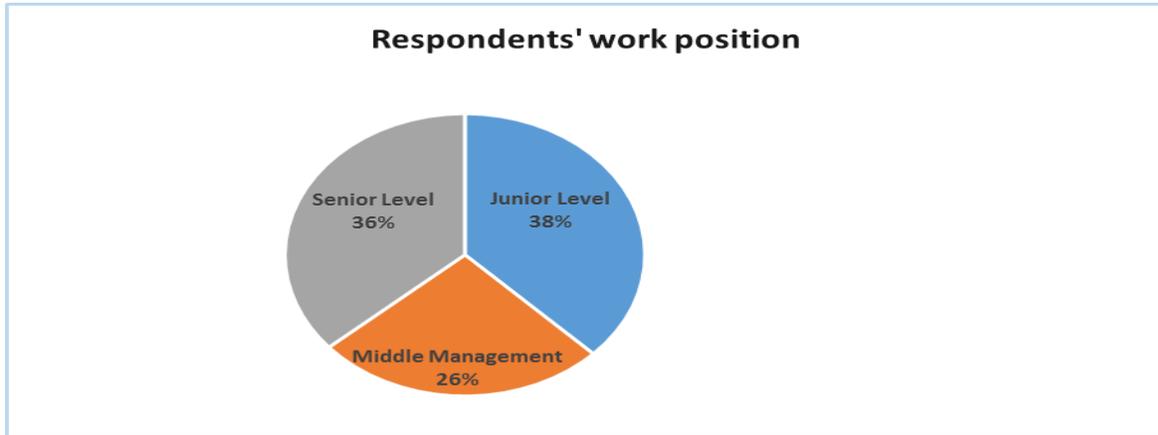


Figure 4.6: Respondents' work position

4.2.7 Respondents' tenure in the same work position

Half of the respondents (50%) had less than 5 years' experience in the same position. Only 1% of the respondents were working in the same position for 21 years and more. 30% of respondents were in the same position for 6 to 10 years and 16% of respondents indicated they were in the same position for 11 to 20 years.

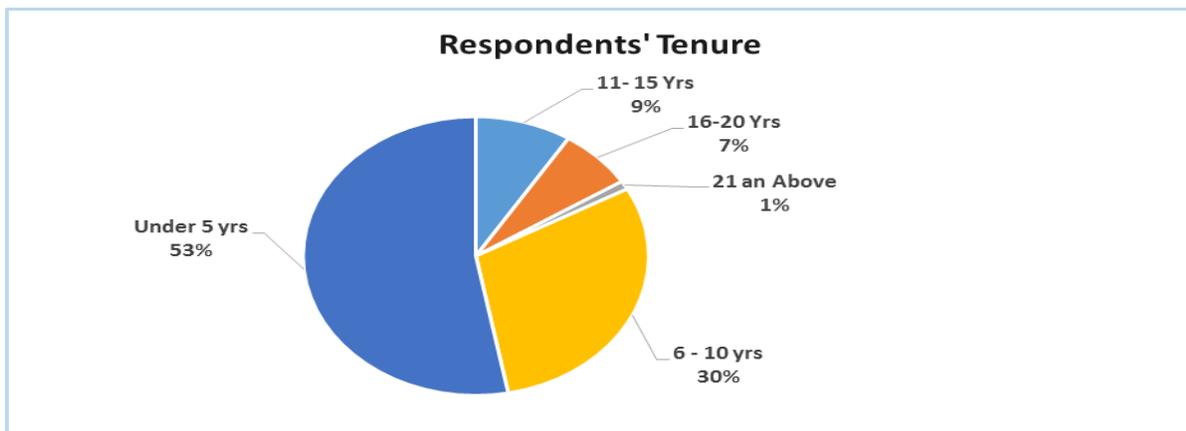


Figure 4.7: Respondents tenure in the same work position

4.3 RESULTS

4.3.1 Factor Analysis

A principal component factor analysis was performed on the shortened variant of the UWES on the sample of employees working in the banking industry. An investigation of the anti-image correlation noted that two items were problematic with scores lower than the recommended cut-off of 0,50. These two items are “*I am easily disengaged when working*” and “*I am unable to detach myself from work*”. These two items were left out in any further analysis. Results indicated that an acceptable KMO correlation matrix of 0,93 ($p < 0,05$) was obtained. Analysis of the Eigen values (larger than 1) and the scree plot indicated that one factor could be extracted, which clarified 75,74% of the total variance. This factor was labelled ‘Employee Engagement’.

A principal component factor analysis was performed on the Job Satisfaction Questionnaire on the sample of employees working in the banking industry. Results indicated an acceptable KMO correlation matrix of 0,79 ($p < 0,05$). An investigation of the anti-image correlation matrix noted no problematic items. Analysis of the Eigen values (larger than 1) and the scree plot indicated that one factor could be extracted, which explained 45,56% of the total variance. This factor was labelled ‘Job Satisfaction’.

Principal component factor analysis on the various sections of the measurement of Organisational Practices was done. Results indicated acceptable KMO correlation matrix varying between 0,81 ($p < 0,05$) (Organisational Support) and 0,90 ($p < 0,05$) (Training and Development) were obtained. An investigation of the anti-image correlation matrix noted no problematic items. Analysis of the Eigen values (larger than 1) and the scree plot indicated that one factor could be extracted within each section, namely:

- Performance Management which explained 73,10% of the total variance.
- Recruitment and Selection which clarified 80,35% of the total variance.
- Organisational Support which elucidated 82,25% of the total variance.
- Internal Communication expounded 74,20% of the total variance.
- Training and Development which substantiated 75,14% of the total variance.

A second order factor analysis on the abovementioned constructs was executed. Results indicated an acceptable KMO of 0,84 ($p < 0,05$). Analysis of the Eigen values (larger than 1) and the scree plot indicated that one factor could be extracted, explaining 67,28% of the total variance. This factor was labelled Organisational Practices.

Principal component factor analysis on the various sections of the measurement of TQM was performed. Results indicated acceptable KMO correlation matrix varying between 0,76 ($p < 0,05$) (Technology Improvement) and 0,87 ($p < 0,05$) (Quality System Improvement) were obtained. An investigation of the anti-image correlation matrix noted no problematic items. Analysis of the Eigen values (larger than 1) and the scree plot indicated that one factor could be extracted within each section, namely:

- TQM General which clarified 69,88% of the total variance.
- Quality System Improvement which explained 68,26% of the total variance.
- Technology Improvement which explained 42,45% of the total variance.

A second order factor analysis on the aforesaid constructs was done. Results indicated an acceptable KMO of 0,70 ($p < 0,05$). Analysis of the Eigen values (larger than 1) and the scree plot indicated that one factor could be extracted, explaining 70,53% of the total variance. This factor was labelled TQM.

The descriptive statistics and Alpha Coefficients of the various constructs are indicated in Table 4.1 below.

Table 4.1 Descriptive Statistics and Alpha Coefficients

Item	Mean	SD	Skewness	Kurtosis	α
Employee Engagement	42,01	11,07	-0,62	-0,81	0,96
Job Satisfaction	31,54	4,31	-0,75	0,98	0,82
Performance Management	15,78	6,22	0,30	-0,70	0,93
Recruitment and Selection	10,72	4,10	0,51	-0,21	0,92
Organisational Support	10,15	4,20	0,57	-0,33	0,93
Internal Communication	13,18	5,25	0,46	-0,21	0,91
Training and Development	19,65	7,21	0,36	-0,73	0,94
Organisational Practices	70,22	22,31	0,74	0,38	0,96
TQM General	10,15	3,76	0,53	0,33	0,85
Quality System Improvement	15,45	5,19	0,49	0,58	0,88
Technology Improvement	30,06	8,31	0,97	0,74	0,84
TQM	55,62	14,73	1,18	1,97	0,91

Table 4.1 indicates that acceptable Cronbach Alpha Coefficients were obtained ranging from 0,82 to 0,96. These Alpha Coefficients compare well with the guideline of 0,70 (0,55 in basic research). This demonstrates that the dimensions (internal consistency of the dimensions) explain a large part of the variance (Nunnally & Bernstein, 1994). It is evident from Table 4.1 that the scales of the measuring instruments have relatively normal distributions, with low skewness and kurtosis, except for TQM where the data was positively skew and peak.

4.3.2 Importance of organisational practices

Respondents were asked to rate the importance of the organisational practices, as measured within this research, as it relates to their organisation. The rating was done on a 5-point Likert scale with 1 being the 'Least Important' and 5 being the 'Most Important'. The results are described in the following sections.

4.3.2.1 Performance Management

Most respondents rated performance management 'Important' to 'Most Important' in their organisation.

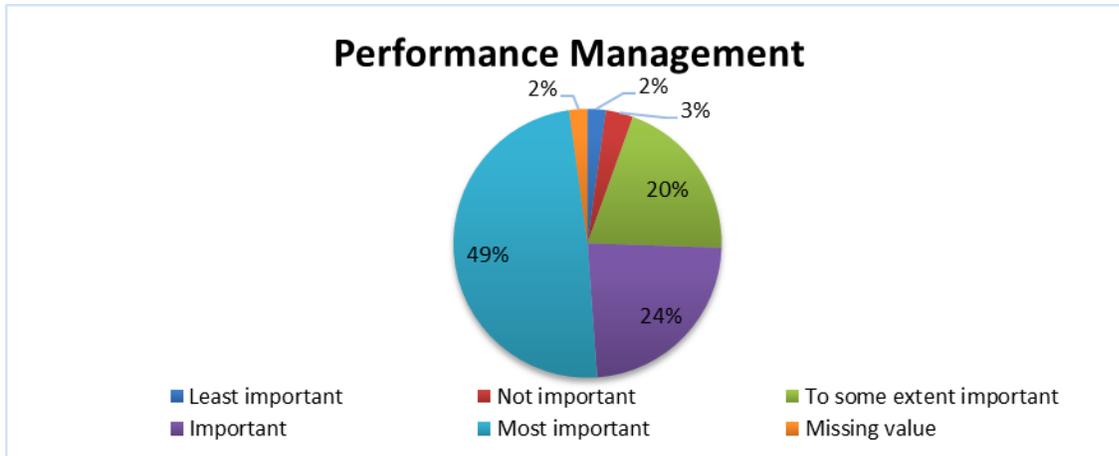


Figure 4.8: Performance Management

4.3.2.2 Recruitment and Selection

The majority of respondents rated that performance management is important to most important in their organisation.



Figure 4.9: Recruitment and selection

4.3.2.3 Organisational Support

Most the respondents are of the opinion that organisational support is important to most important in their organisation.

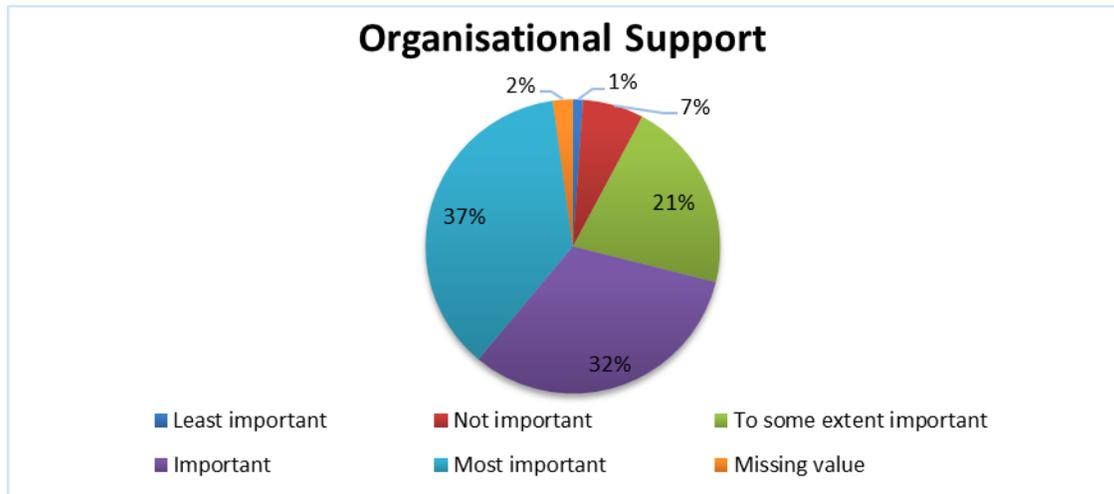


Figure 4.10: Organisational Support

4.3.2.4 Internal Communication

Most the respondents rated internal communication as either ‘Important’ or ‘Most important’ in their organisation.

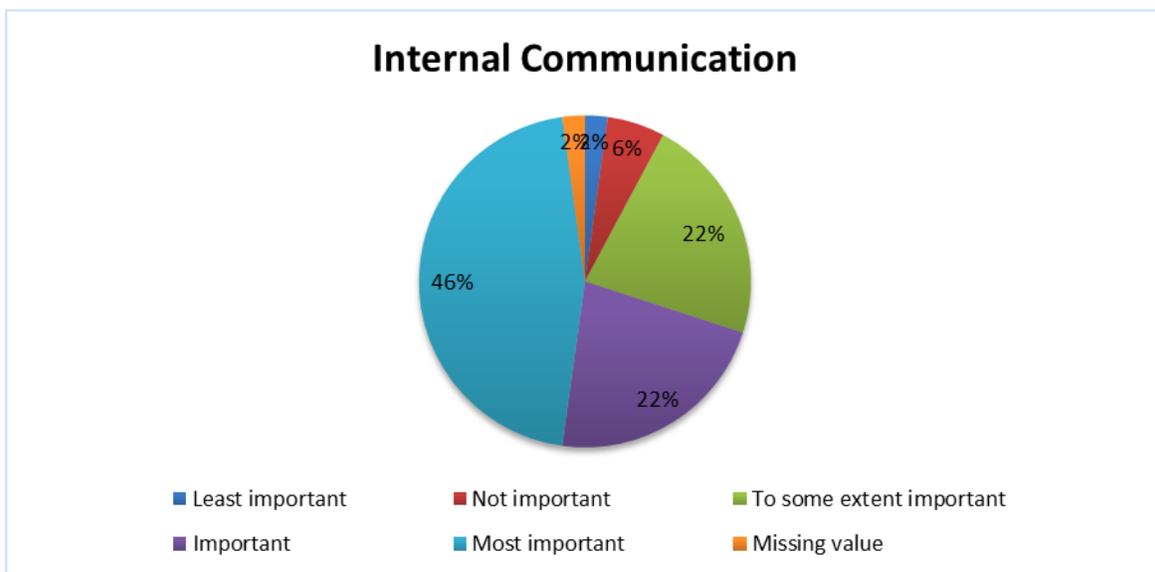


Figure 4.11: Internal communication

4.3.2.5 Quality Systems Improvement

The majority of respondents indicated that quality systems improvement is important to most important in their organisation.

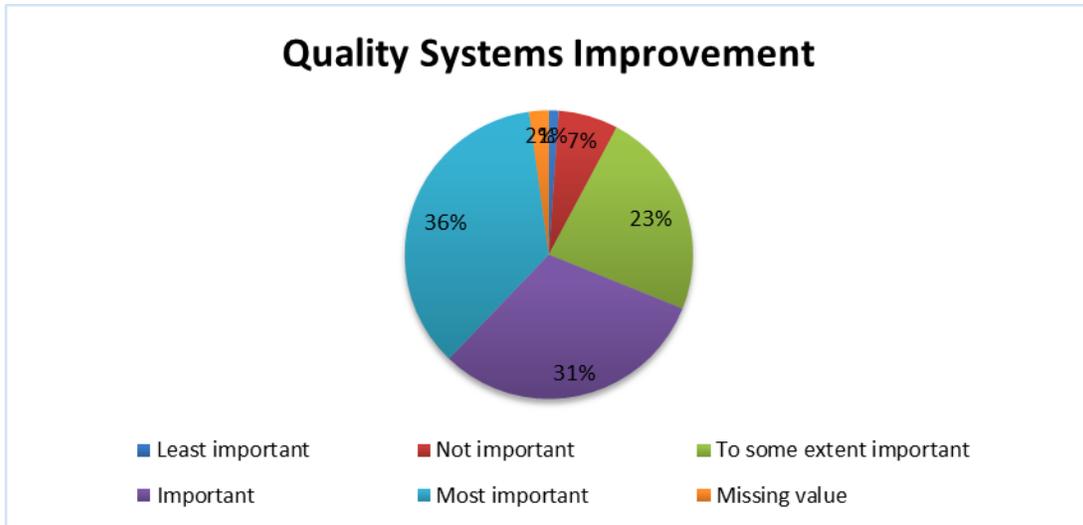


Figure 4.12: Quality Systems Improvement

4.3.2.6 Technological Improvements

A substantial percentage of respondents (38% and 30% respectively) are of opinion that technological improvements are important to most important in their organisation.

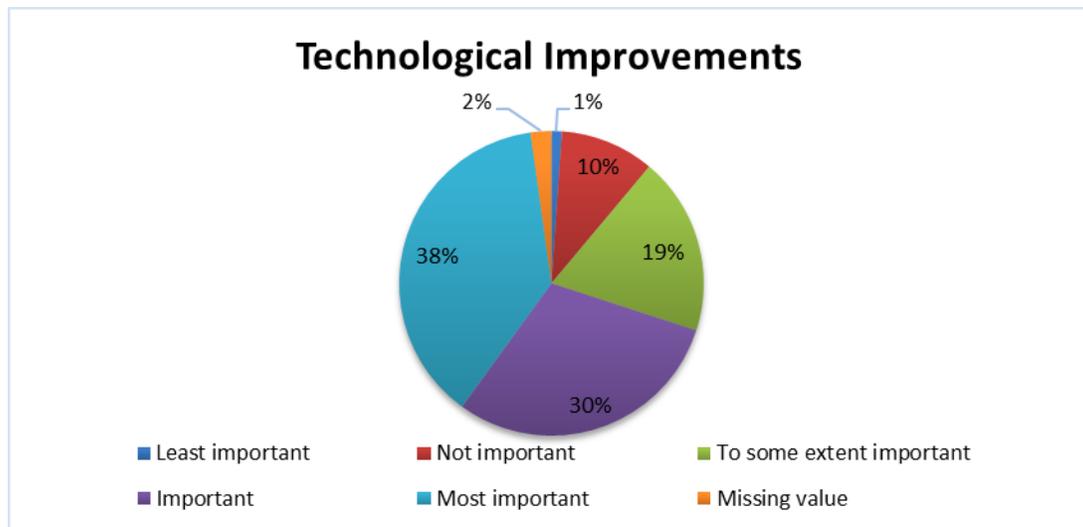


Figure 4.13: Technological Improvements

These results show that respondents in this research perceive the dimensions of organisational practices and TQM as a crucial part of their organisation.

4.3.3 Product-Moment Correlation Coefficient

The Product-Moment Correlation Coefficient between employee engagement, job satisfaction, dimensions of organisational practices and dimensions of TQM are set out in Table 4.2

Table 4.2. Product-Moment Correlation Coefficients between the dimensions

Item	1	2	3	4	5	6	7	8	9	10	11
1. Employee Engagement	.	.	.	.	.	.	.	.	.	.	.
2. Job Satisfaction	0,62^{*++}	.	.	.	.	.	.	.	.	.	.
3. Performance Management	-0,06	-0,12	.	.	.	.	.	.	.	.	.
4. Recruitment & Selection	-0,08	-0,23 [*]	0,62^{*++}	.	.	.	.	.	.	.	.
5. Organisational Support	-0,12	-0,23 [*]	0,69 ^{*++}	0,65^{*++}	.	.	.	.	.	.	.
6. Internal Communication	-0,11	-0,17	0,69 ^{*++}	0,59 ^{*++}	0,67^{*++}	.	.	.	.	.	.
7. Training & Development	-0,02	-0,14	0,58 ^{*++}	0,43 ^{*+}	0,43 ^{*+}	0,44^{*+}	.	.	.	.	.
8. Organisational Practices	-0,05	-0,21	0,89 ^{*++}	0,78 ^{*++}	0,82 ^{*++}	0,83 ^{*++}	0,76^{*++}	.	.	.	.
9. TQM General	0,03	-0,11	0,56 ^{*++}	0,60 ^{*++}	0,64 ^{*++}	0,53 ^{*++}	0,48 ^{*+}	0,70 ^{*++}	.	.	.
10. Quality System Improvement	0,02	-0,05	0,49 ^{*+}	0,41 ^{*+}	0,36 ^{*+}	0,34 ^{*+}	0,36 ^{*+}	0,50 ^{*+}	0,52 ^{*++}	.	.
11. Technology Improvement	0,25 [*]	0,18	0,54 ^{*++}	0,48 ^{*+}	0,49 ^{*+}	0,48 ^{*+}	0,32 ^{*+}	0,55 ^{*++}	0,63 ^{*++}	0,51 ^{*++}	.
12. TQM	0,15	0,05	0,66 ^{*++}	0,58 ^{*++}	0,59 ^{*++}	0,54 ^{*++}	0,46 ^{*+}	0,68 ^{*++}	0,79 ^{*++}	0,79 ^{*++}	0,91 ^{*++}

* $p \leq 0,05$ – statistically significant

+ $r > 0,30$ – practically significant (medium effect)

+ $r > 0,50$ – practically significant (large effect)

Table 4.2 shows statistically significant positive correlations (practically significant, large effect) between employee engagement and job satisfaction. This is indicative that the more engaged employees are, the more satisfied they will be with their job, and vice versa. This is line with other research noting a relationship between employee engagement and job satisfaction (Biswas & Bhatnager, 2013:39; Jiony, *et al*, 2015:22; Milliken, *et al*, 2015:416; Ram & Prabhakar, 2011:47-49). However, no correlations were found between employee engagement, job satisfaction and organisational practices in the sample of employees working in the banking industry. This finding is contradicting to research by Menguc, *et al*. (2013:2164) and Welch (2011:54) which state that employee engagement and job satisfaction is closely linked to organisational practices. Also, no correlation was found between employee engagement, job satisfaction and TQM. This finding contradicts research done by Suharti and Suliyanto (2012:131) and Trussa, *et al*. (2013:2658). It may be possible that there are other factors evident, which were out of scope of the current research that might have played a contributing role to these findings, such as job demands and resources.

Statistically significant positive correlations (practically significant, large effect) between the constructs of TQM i.e. TQM General, quality system improvement, technology improvement and the constructs of organisational practices, i.e. performance management, recruitment and selection, organisational support, internal communication, training and development. Also, statistically significant positive correlation (practically significant, large effect) was found between the combined organisational practices construct and the combined TQM construct. This finding is in line with other research by Pandey and David (2013), Patapas and Smalskys (2013:12), Sze and Angeline (2011) and Trussa, *et al*. (2013:2658).

Next the mediating effect of employee engagement between organisational practices and TQM was investigated through regression analysis

4.3.4 Regression Analysis

According to Baron and Kenny (1986), the mediating effect of employee engagement between organisational practices and TQM can firstly be illustrated through regressing organisational

practices on employee engagement, secondly by showing organisational practices to have an effect in predicting TQM, and thirdly through showing that TQM is affected by both employee engagement and organisational practices. Results of these regression analyses are shown in Table 4.3.

Table 4.3. Regression analyses estimating the mediating effect of employee engagement

Model		Unstandardised		Standardized	<i>t</i>	<i>p</i>	<i>F</i>
		Coefficients		Coefficients			
		B	Std Error	Beta			
Dependent Variable: Employee Engagement							
1	(Constant)	44,08	4,17		10,58	0,00	0,22
	Organisational Practices	-0,03	0,06	-0,54	-0,47	0,64	
Dependent Variable: TQM							
2.	(Constant)	24,06	4,26		5,65	0,00	63,35
	Organisational Practices	0,46	0,06	0,68	7,96	0,00*	
3	(Constant)	9,58	6,47		1,48	0,14	38,34
	Organisational Practices	0,47	0,06	0,69	8,38	0,00*	
	Employee Engagement	0,33	0,12	0,24	2,90	0,01*	

* $p < 0,05$ – statistically significant

Table 4.3 indicates that organisational practices are not a significant predictor of employee engagement (Model 1). Model 2 shows that organisational practices are a statistically significant predictor of TQM. Model 3 shows that when employee engagement is added to the model, that the regression is no longer statistical significant. Employee engagement therefore does not mediate the relation between organisational practices and TQM.

Next the mediating effect of job satisfaction between organisational practices and TQM was investigated. This mediating effect can be illustrated by first regressing organisational practices on job satisfaction, secondly by showing organisational practices to have an effect in predicting TQM, and thirdly by showing that TQM is affected by both job satisfaction and organisational practices. Results of these regression analyses are given in Table 4.4.

Table 4.4. Regression analyses estimating the mediating effect of job satisfaction

Model		Unstandardised		Standardized	<i>T</i>	<i>p</i>	<i>F</i>
		Coefficients		Coefficients			
		B	Std Error	Beta			
Dependent Variable: Job Satisfaction							
1	(Constant)	34,63	1,58		21,88	0,00	3,63
	Organisational Practices	-0,04	0,02	-0,21	-1,90	0,06	
Dependent Variable: TQM							
2.	(Constant)	24,06	4,26		5,65	0,00	63,35
	Organisational Practices	0,46	0,06	0,68	7,96	0,00*	
3	(Constant)	-3,35	10,89		-0,31	0,76	38,13
	Organisational Practices	0,49	0,06	0,73	8,69	0,00*	
	Job Satisfaction	0,79	0,29	0,23	2,72	0,01*	

* $p < 0,05$ – statistically significant

Table 4.4 indicates that organisational practices are not a significant predictor of job satisfaction (Model 1). Model 2 shows that organisational practices are a statistically significant predictor of TQM. Model 3 illustrates that when job satisfaction is added to the model, that the regression is no longer statistical significant. Job satisfaction therefore does not mediate the relation between organisational practices and TQM.

4.4 CHAPTER SUMMARY

Chapter reported the results of the empirical research and also gave a short discussion of the obtained results.

A principal component factor analysis was performed on the various measuring instruments. It was noted that one factor could be extracted in the shortened variant of the UWES, explaining 75,74% of the total variance. This factor was labelled ‘Employee Engagement’. One factor was also distracted on the ‘Job Satisfaction’ questionnaire which explained 45,56% of the total variance. This factor was labelled ‘Job Satisfaction’.

Principal component factor analysis on the various sections of the measurement of Organisational Practices was performed. These dimensions were labelled 'Performance Management'; 'Recruitment and Selection'; 'Organisational Support'; 'Internal Communication'; and 'Training and Development'. A second order factor analysis on these constructs was executed. Results indicated an acceptable KMO of 0,84 ($p < 0,05$). Analysis of the Eigen values (larger than 1) and the scree plot indicated that one factor could be extracted, which explained 67,28% of the total variance. This factor was labelled 'Organisational Practices'.

Principal component factor analysis on the various sections of the measurement of TQM was done. These dimensions were labelled TQM general, quality system improvement and technology improvement. A second order factor analysis on the aforesaid constructs was done. Results indicated an acceptable KMO of 0,70 ($p < 0,05$). Analysis of the Eigen values (larger than 1) and the scree plot indicated that one factor could be extracted, explaining 70,53% of the total variance. This factor was labelled 'TQM'.

Acceptable Cronbach Alpha Coefficients were found, demonstrating that a large portion of the variance is explained by the dimensions (Nunnally & Bernstein, 1994).

Product-moment correlation coefficients indicated that there are statistically significant positive correlations (practically significant, large effect) between employee engagement and job satisfaction. This is indicative that the more engaged employees are, the more satisfied they will be with their job, and vice versa. No correlations were however found in the sample of employees working in the banking industry between employee engagement, job satisfaction and organisational practices. It may be possible that there are other factors evident, which were not in the current study's scope of research that might have played a contributing role to these findings, such as job demands and resources.

Statistically significant positive correlations were evident (practically significant, large effect) between the constructs of organisational practices, i.e. performance management, recruitment and selection, organisational support, internal communication, training and development and the

combined organisational practices construct and the constructs of TQM, i.e. TQM General, quality system improvement, technology improvement and the combined TQM construct. This finding is in line with other research by Pandey and David (2013), Patapas and Smalskys (2013:12), Sze and Angeline (2011) and Trussa, *et al.* (2013:2658).

Regression analysis was used to determine the mediating effect of employee engagement and job satisfaction between organisational practices and TQM. Results indicated that although organisational practices are a significant predictor of TQM that neither employee engagement nor job satisfaction mediated this relationship.

In Chapter 5 the conclusions pertaining to the research questions are made. Also, the limitations of the research are discussed. Finally, conclusions specific to future research and for an organisation are listed.

CHAPTER 5

CONCLUSIONS, LIMITATIONS, AND RECOMMENDATIONS

5.1. INTRODUCTION

The purpose of Chapter 5 is to provide conclusions regarding the results obtained in the empirical studies of this research. Conclusions are drawn with regard to the research objectives. Furthermore, limitations that have been identified throughout the course of the study are discussed. Finally, recommendations for the organisation are made and research opportunities that emanate from this research are presented for future research.

5.2. CONCLUSIONS

The general objective of this research was to determine the mediating role of employee engagement and job satisfaction on the relationship between organisational practices and TQM. Moreover, the aim was to discover the advantages that an organisation or business will get when practicing TQM to its workforce. The following conclusions can be drawn based on the research questions.

OBJECTIVE 1 of the study was to conceptualise organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements), TQM, job satisfaction and employee engagement from the literature. According to the literature review, organisational practices are broadly categorised into two divisions, namely internal and external organisational practices. Internal organisational practices are those practices carried out by employees within the organisation. On the other hand, external organisational practices are the outside forces carried out by shareholders and stakeholders that have an impact on the organisation (Trussa, *et al.*, 2013:2660). This paper focused solely on the internal organisational practices which are the activities of an organisation that have a direct impact on its workforce's relationships and tasks (Rich, *et al.*, 2012:618). Some of the common internal organisational practices comprise of

performance management, recruitment, and selection, organisational support to their employees, quality systems improvement and internal communication mechanisms (Trussa, *et al.*, 2013:2659). The way employees perceive their organisation can be employed as a measure of how internal organisational practices are carried out in an organisation as well as the employee's direct line management (Patterson, *et al.*, 2005:380). Organisations that enhance organisational practices have been found to be very successful whilst the ones that do not strengthen the internal organisational practices, have been discovered to fall behind (Patapas & Smalskys, 2013:12).

TQM can be defined as the management system that is more focused on the needs and interests of customers by involving the entire workforce with the aim of continual improvement (Aryee, Walumbwa, Gachunga, & Hartnell, 2016:6). For TQM to be achieved the organisation has to use strategy, data, and efficient communication to incorporate the required quality discipline into the existing culture and activities of an organisation (Trussa, *et al.*, 2013:2660), TQM is considered the best tool for development that a business or organisation can have. The presence of TQM has the subsequent effect of quality services, quality products, and overwhelming customer satisfaction. The elements of TQM include customer-focus, total employee involvement, process centered, reliant on integrated systems, incorporation of strategic and systematic approaches, and the consistent portrayal of improvement within an organisation (Rich, *et al.*, 2012:618).

Employee engagement can be described as the binding of the members of an organisation to the job responsibilities that have been assigned to them (Chung, *et al.*, 2015:71). This is done through expressing themselves in different ways emotionally, physically, and cognitively during their time of working. Literature also suggests that employee engagement is the willingness of employees to do more than what is required of them. Engaged employees have the capability of creating great value for an organisation by producing outcomes of high value in their course of work (Menguc, *et al.*, 2013:2164). Engaged employees can be characterised by being more creative and proactive thinkers. They are very innovative, have reduced absenteeism levels and lower turnover intentions. Studies about engaged employees indicate that they are more committed and loyal to the organisation where they are employed than non-engaged employees (Rayton & Yalabik, 2014:2799).

Job satisfaction in business is used to denote an enjoyable or optimistic emotional condition that comes from the appraisal of an individual's work or the experience they have been having while working (Tang, *et al.*, 2014:133). Job satisfaction is an indication of the degree to which employees like or dislike the job that they are doing. This satisfaction or enjoyment comes from the environment at which a person is working at and what the individual is expecting from the workplace (Shantz, *et al.*, 2013:2612). These expectations can be in various forms such as individual needs, features or values. Job satisfaction as a variable has many dimensions. Some of the dimensions can be described to have aspects or facets of a person's job such as the existing relationship between the workers and the workers' relationship with their superiors (Biswas & Bhatnagar, 2013:39)

OBJECTIVE 2 of the study was to conceptualise relation between employee engagement, job satisfaction, organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements) and TQM from the literature. Yeh (2003:257) found that employee engagement is a necessary predecessor of successful TQM. Biswas and Bhatnagar's (2013:37) study revealed that aspects of employee engagement can only be attained if TQM is practised in the organisation. It is therefore essential for an organisation to have engaged employees as it is evident that such an organisation will prosper and attain TQM. In turn, this will result in an increase in returns and earnings (Chung, *et al.*, 2015:72). Therefore the literature is suggesting that TQM cannot be achieved if employees are less engaged. Furthermore, the literature revealed that employee engagement and job satisfaction are essential for achieving and sustaining TQM (Biswas & Bhatnagar, 2013:39). Zajkowska (2012:107) stated that internal organisational practices such as internal communication, has the potential to increase employee engagement. For instance, the failure of proper communication on how poor business results affect the employees' retirement plans, benefits total rewards. Also, training may lead to uninformed presumptions that minimise employee engagement. According to Denison and Mishra (1995:214), organisation should be concerned about its employee alignment and engagement by creating conducive internal practices. Greater outcomes of an organisation such as proper organisational practices and quality products and services as well as customer satisfaction that make up TQM can be derived from committed and engaged employees (Biswas

& Bhatnagar, 2013:37). Biswas and Bhatnager (2013:36) found that employee engagement has a positive association with job satisfaction. Alfes, Truss, Soane, Rees, and Gatenby (2013:814) indicated that job satisfaction is, however, not a clear indication that there will be higher productivity in an organisation, but noted that employee engagement could be used as a direct measure of job performance and job satisfaction. This implies that when employees experience engagement that they may be more inclined to find their work and related tasks to be more fulfilling and motivating. Higher exhibition of job satisfaction, therefore, seems to come from the positive outcome of work engagement. Dong, et al. (2015:1364) noted various mediating factors that are related to organisational practices and TQM. They indicated that job satisfaction is conceived by proper organisational practices and in turn facilitates the work of managers in bringing TQM in any organisation or business enterprise (Dong, et al., 2015:1364). In their research, Langove, Isha, and Javaid (2016:106) noted a relation between job satisfaction and organisational practices in that the more proper the organisational practices, the employees demonstrated to be more satisfied. Job satisfaction has been noted to be a mediating factor for proper organisational practices and TQM (Biswas & Bhatnagar, 2013:36). The mediating aspect of job satisfaction originates from its relationships with other organisations and businesses' outcomes like organisational obligation, employee absenteeism, turnover and employees' performance. Moreover, the lack of proper internal organisational practices is said to be a direct indication of the absence of TQM in an organisation (Patapas & Smalskys, 2013:12).

The literature study also revealed that employee engagement and job satisfaction are closely related due to their mediating effects on organisational practices and TQM (Menguc, et al., 2013:2164).

OBJECTIVE 3 was to determine the relation between employee engagement, job satisfaction, organisational practices (i.e. performance management, recruitment and selection, organisational support, internal communication, quality systems improvement and technological improvements) and TQM in a sample of employees working in the banking industry. Results indicated statistically significant positive correlations (practically significant, large effect) between employee engagement and job satisfaction. This is indicative that the more engaged employees are, the more satisfied they will be with their job, and vice versa. This is line with other research

noting a relationship between employee engagement and job satisfaction (Biswas & Bhatnager, 2013:39; Jiony, *et al*, 2015:22; Milliken, *et al*, 2015:416; Ram & Prabhakar, 2011:47-49). No correlations were however found between employee engagement, job satisfaction and organisational practices with regard to the sample of employees working in the banking industry. This implies that proper organisational practices in the banking sector does not influence or does not improve employees' attitudes of job satisfaction and engagement. This finding is contradicting to research by Menguc, *et al*. (2013:2164) and Welch (2011:54) noting that employee engagement and job satisfaction is closely linked to organisational practices. Also, no correlation was also found between employee engagement, job satisfaction and TQM. This implies that employee engagement and job satisfaction have no bearing on TQM in the banking sector. Generally, this means that banking sector does not need engaged or satisfied employees to implement or to attain TQM. Therefore it is not guaranteed that engaged employees in the banking sector will always create great value for an organisation by producing outcomes of high value in their course. This finding is also contradicting to research done by Suharti and Sulyanto (2012:131) and Trussa, *et al*. (2013:2658). It may be possible that there are other factors evident, which were out of the scope of the current research that may have played a contributing role to these findings, such as job demands and resources.

It was confirmed that statistically significant positive correlations exist (practically significant, large effect) between the constructs of organisational practices, i.e. performance management, recruitment and selection, organisational support, internal communication, training and development and the combined organisational practices construct and the constructs of TQM, i.e. TQM General, quality system improvement, technology improvement and the combined TQM construct. This finding is in line with other research by Pandey and David (2013), Patapas and Smalskys (2013:12), Sze and Angeline (2011) and Trussa, *et al*. (2013:2658). This implies that employees in the banking sector have rated both TQM General and organisational support high indicating that they believe TQM is attainable if organisational support is provided to employees in the banking sector.

OBJECTIVE 4 of this research was to determine the mediating role of employee attitudes (job satisfaction and employee engagement) in the relationship between internal organisational

practices and TQM in a sample of employees within the banking and insurance sector. Regression analysis was applied to determine the mediating effect of employee engagement and job satisfaction between organisational practices and TQM. Results indicated that although organisational practices are a significant predictor of TQM neither employee engagement nor job satisfaction mediated this relationship. This implies that the banking sector does not require engaged and satisfied employees in order to implement internal organisational practices that can lead to an attainment of TQM. This finding further suggest that, in the banking sector, TQM can be attained trough implementation of organisational practices such as utilising the latest technology, recruitment policies, training and development and internal communication amongst many others and this can be achieved irrespective of employees' attitudes towards their jobs. This finding is contradicting to the research by Welch, 2011:330 noting that motivated employees are deemed to implement organisational practices to attain TQM (Welch, 2011:330)

OBJECTIVE 5 for this research was to make recommendations for future research. Future research in this field should focus on more industries and also a mix of different industries to yield a more generalized result. Also, the aim should be on exploring the impact of various factors of organisational practices to determine the popular and important practices rather than emphasizing on one or two specific factors. This would inform industries about the organisational factors that employees perceive as relevant. As a result, it would enable organisations to then drive their resources and energies towards those identified factors rather than distributing resources between all factors, including those which might not be important at all. Apart from different organisational practices, future research can also explore various other dynamics, like external factors, that affect TQM. This would help businesses in focusing on a comprehensive scale rather than the internal forces of the organisation. Future research should also include other elements that may have played a contributing role to the findings, but were out of the current research scope, for instance job demands and job resources. In future, research can also focus on a comprehensive scale and not only on the internal forces of an organisation, in other words the external organisation practices should be included in the research scope. The sample size was too small for generalization therefore future researchers should consider larger sample size for better generalization. Lastly, future researchers on this topic should increase the number of respondents in order to enhance accuracy.

5.3. RESEARCH LIMITATIONS

There have been a few limitations associated with the current research that needs to be addressed when future research on this topic is done, which are identified and discussed in this section.

Firstly, the sample size was small and the industry targeted for the study limits the scope for generalization of research results. This implies that the paper was based on the responses of a single sector and the results yielded might not hold true for companies in other sectors. Secondly, research was limited to a single sector where most respondents had administrative and operational or information technology roles. The opinion of other departments might be different and hence, it is important to have sufficient representation from the various departments in an organisation as well as include a spread of various types of organisations. Thirdly, the research identified that no correlations were found in the sample of employees working in the banking industry between employee engagement, job satisfaction and organisational practices. This might not hold true for organisations in other sectors of the South African economy. Consequently, the research objective is not relevant to this specific case and the result could have variance and be significant and important to other business sectors.

Fourthly, the research did not focus on a comprehensive scale, but rather focused on the internal forces of the organisation only. Lastly, this research did not include other factors such as job demands and resources in testing the mediating effects.

5.4. CHAPTER SUMMARY

Chapter 5 extracted the major findings of the research and combined the various findings into a collated research conclusion. The Chapter establishes the realization of this specific research and justifies the foundations of the research process. Chapter 5 was structured in two parts, namely the conclusion and the recommendation. This chapter is helpful in the sense that it set the scope for future research. A focus on future research formed part of the recommendation section which highlights the ways to overcome the shortcomings of this specific research study.

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APPENDICES

APPENDIX A: THE CONSENT FORM

Hi, my name is **DzivhuluwaniMudau**, a student at **North-West University Potchefstroom Campus** pursuing an **MBA degree**. I am conducting research on Organisational practices and Total Quality Management: The mediating role of employee engagement and job satisfaction. I, therefore, request for your participation in answering the survey questions related to the topic to make this study an advantageous in ensuring a successful research process. If you agree, you will be asked questions about yourself, your perception towards your current work and company, and the work support you receive from your company, management, and co-workers. The survey is estimated to last for about 20 minutes. Your name and the information you provide will be kept confidential. Your participation is important since it will help your company management to develop and implement effective workplace practices and policies for addressing internal organisational barriers and ensuring friendly work environment.

You are under no obligation to take participating in this survey as it is voluntary. You can, therefore, decline to participate or avoid any question you feel uncomfortable with without victimization.

Participant's declaration

I have been explained to the purpose of the study and the benefits likely to accrue from the study. I, therefore, agree voluntarily to take part in this study.

Signed/confirmed by:

(Participant's signature)

date

APPENDIX B: Employees' Questionnaire

INSTRUCTIONS:

Do not write your name anywhere on this questionnaire

Answer all questions

Date:

Section A: Demographic characteristics

I. What is your age?

1. Under 20	3. 31 - 40	5. 51 and above
2. 21 – 30	4. 41-50	

II. Please indicate your gender:

1. Male	2. Female
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III. What is your marital status?

1. Single	2. Married	3. Widowed	4. Divorced
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IV. What is your highest level of education?

1. Primary school	2. High School	3. Certificate/Diploma
4. Bachelors	5. Masters	6. Doctorate

V. In which department do you belong?

1. Human Resources	2. Operations/Admin/customer service	3. Finance
4. Information Technology	5. Strategy & Planning	6. Research and Development
7. Marketing	8. Facility Management	9. Risk and Legal/Compliance
9. Project Management	10. Other	

VI. What work position do you hold?

1. Junior Level	2. Executive management
3. Senior level	4. Middle Management

VII. **For how many years have you been working in your current position?**

1. Under 5	2. 6-10	3. 11-15
4. 16-20	5. 21 and above	

VIII. **What is your Monthly Net Income?**

1. Less than R5000	2. R5000 - R8000	3. R8000 - R12000	10. Over R40000
4. R12000 - R16000	5. R16000 - R20000	6 R 20000 - R 25000	
7.. R 25000 - R 30000	8. R 30000 – 35000	9. R 35000 - R40000	

Section B: Job satisfaction

IX. **The following statements describe the extent of your work satisfaction. Please rate each one of them based on the following scale:**

Nature of satisfaction	1	2	3	4	5
1. I am motivated to report at work daily					
2. I relate well with my co-workers					
3. My unique skills and talents enable me to deliver the excellent service at work					
4. I contribute to the society based on the work I do					
5. My company recognizes and respect my work					
6. My abilities and values match well with my job					
7. My company remunerates me well					
8. My input to the company has played a role in the position I have in the company					

Score: 1. Very unsatisfied 2. Dissatisfied 3. Neutral 4. Satisfied 5. Very satisfied

Section C: Training and development

X. **The following statements describe employee training and development at the workplace. Please rate each one of them based on the following scale:**

Training and development aspects	1	2	3	4	5
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1. The company encourages the staff to consider furthering education and training.					
2. Our company allocates resources for employee education and/or training					
3. The company trains its employees on using quality management methods/tools					
4. My firm trains its employees on quality awareness education					
5. All employees are given particular work-skills training					
6. My firm considers its employees as valuable and long-term resources that require capacity building throughout their career.					
7. Hard work results in fruitful results even at the individual level					

Scoring: 1= strongly agree, 2= Agree, 3= Neutral, 4=Disagree and 5= Strongly disagree.

Section D: Employee engagement

XI. Based on the following scale, please rate your perception towards your current work based on the following aspects:

Scoring: 0 = Never, 1 = Almost never, 2= Rarely, 3= Sometimes, 4= Often, 5= Very often, 6= Always

Employee's perception towards work	0	1	2	3	4	5	6
1. I always feel energetic to my work							
2. My work makes me strong and vigorous							
3. My work makes me feel enthusiastic.							
4. I feel inspired by my job.							
5. I am motivated to report at work daily							
6. I feel motivated to work intensely.							
7. I feel proud of my work.							
8. I am sometimes inspired to work for longer periods							
9. I am deeply engaged in my work							
10. I am easily disengaged when working.							
11. I am unable to detach myself from work							

Section E: ORGANISATIONAL PRACTICES

XII. **Which of the following organisational practices are important within your organisation (please rate from 1 to 5) 1 = Least important and 5 = Most important**

1. Performance management	1	2	3	4	5
2. Recruitment and Selection	1	2	3	4	5
3. Organisational Support (employee support from your organisation)	1	2	3	4	5
4. Quality System Improvements	1	2	3	4	5
5. Technological Improvements	1	2	3	4	5
6. Internal Communication	1	2	3	4	5

Section E1: Performance management

XIII. **Based on the following scale of agreement, please rate how you value your current work based on the following aspects:**

Score: 1. Strongly agree, 2. Agree, 3 Neutral, 4. Disagree 5. Strongly disagree

Management practices	1	2	3	4	5
1. The company often sends its staff for professional seminars, and technical training to promote technical quality management knowledge					
2. The management team often involves other employees in solving problems					
3. My organisation encourages different departments to cooperate to achieve common organisational goals					
4. I think there are cooperation and teamwork in my department					

and organisation.					
5. Management communicates a clear vision on the future direction of the organisation about quality and efficient performance.					
6. Management recognizes that sustainable quality is essential for continuous improvement and retaining customers happy.					

Section E2: Recruitment and selection

XIV. Based on the following scale of agreement, please rate recruitment and selection process in your company based on the following aspects:

Scoring: 1= Strongly agree, 2= Agree, 3= Neutral, 4=Disagree and 5=Strongly disagree

Recruitment and selection process	1	2	3	4	5
1. Recruitment and selection process meets organisational needs					
2. Recruitment and selection process clearly defines job competencies for different positions					
3. Job placement of new employees is need-based					
4. Internal recruitment and selection process effectively identifies the right workforce					

Scoring: 1= Strongly agree, 2= Agree, 3= Neutral, 4=Disagree and 5=Strongly disagree

Section E3: Organisational Support

XV. Based on the following scale of agreement, please rate your company regarding work support you receive based on the following aspects:

Organisational support	1	2	3	4	5
1. I think my employer provides reasonable degree of work flexibility					
2. I feel I benefit from the policies/practices on work flexibility					
3. My co-workers give me reasonable support to perform my job.					
4. My organisation has understanding managers and senior staff					

Scoring: 1= Strongly agree, 2= Agree, 3= Neutral, 4=Disagree and 5=Strongly disagree.

Section E4: Internal communications

XVI. Based on the following scale of agreement, please rate your company in terms of internal communication based on the following aspects:

Scoring: 1= Strongly agree, 2= Agree, 3= Neutral, 4=Disagree and 5=Strongly disagree.

Internal communication practices	1	2	3	4	5
1. My company has a communication team responsible for evaluating and planning internal communication practices					
2. My company conducts two-way communication forums for employee					
3. My company produces weekly newsletter that is also stored for employees' future reference					
4. My company has a communication portal with recent messages for employees reference					
5. The success of my company is as a result of good communication practices within the firm					

SECTION F: TQM

Scoring: 1= Strongly agree, 2= Agree, 3= Neutral, 4=Disagree and 5=Strongly disagree.

TQM	1	2	3	4	5
1. The quality management administered in my company is responsible for the quality products					
2. Customers satisfaction is directly proportional to the company's quality management					
3. Without management, there would be no quality services					
4. Quality management is different from typical management					

18. Are you aware of the importance of quality management which has an important role in the success of any organisation?

1.YES	2.NO	3.CANT SAY
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19. Does TQM help in improving the work efficiency of employees?

1.YES	2.NO	3.CANT SAY
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20. Employee engagement is the extent to which employees feel passionate about their jobs, committed to the organisation and put discretionary effort into their work. **Thinking along this line, would you say there are any significant role played by employee engagement in bringing TQM?**

1. 1.YES	2. 2.NO	3. 3.CANT SAY
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21. Job satisfaction is simply how satisfied an individual is with his/her job. TQM is the management's approach to long term through customer satisfaction. **In your view, do you think job satisfaction and TQM are related in any way?**

1.YES	2.NO	3.CANT SAY
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Section F1: Quality System Improvement

5. **Based on the following scale of agreement, please rate your company in terms of systems improvement based on the following aspects:**

Scoring: 1= strongly agree, 2= Agree, 3= Neutral, 4=Disagree and 5=strongly disagree.

System improvement	1	2	3	4	5
1. My department has formal methods for systems development					
2. The methodology for systems development is clearly documented.					
3. Checkpoint procedures are well defined in the methodology for systems development.					
4. My department has formal guidelines on promoting quality systems					
5. Customer requirements are covered in these guidelines					
6. Clients are encouraged to air their views regarding the organisation's system improvement					

Section F2: Technology Improvement

4. Based on the following scale of agreement, please rate your company in terms of technology improvement based on the following aspects:

Scoring: 1= Strongly agree, 2= Agree, 3= Neutral, 4=Disagree and 5=Strongly disagree.

Information and Technology improvement	1	2	3	4	5
1. I know computer hardware and software currently being installed in the company					
2. My department is planning to acquire new hardware and software for supporting systems development methodology.					
3. I think I need a more sophisticated computer to perform my work better.					
4. I think I need more specific software to improve my work performance.					
5. I think the systems development methodology clearly defines data collection processes					
6. Systems development methodology clearly defines reliability and consistency about data collection process					
7. The company lacks IT technicians and trainers					
8. The company always stays updated when it comes to technology					
9. Technology aids in promoting quality services					
10. Technology is a tool for TQM					
11. Technology has formed the backbone of quality products in my company					

THANK YOU SO MUCH FOR YOUR PARTICIPATION.