

Original Research Article

Total Quality Management and Performance of Small Medium Scale Enterprises (SMEs) in Nigeria

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Abstract: SMEs in Nigeria have continued to experience poor quality of products and services despite concerted efforts by governments and the private sector to improve their standards of operations. Empirical research has tried to understand why there is consistent low level of quality products and services offered by SMEs in Nigeria. This study is therefore, an attempt to examine the Effect of TQM dimensions of customer focus, continuous process improvement and executive commitment on the performance of SMEs in Gboko Local Government. The study employed a cross-sectional research design on a population of 198 registered SMEs. Sampling produced a sample size of 132 while only 121 were used for data analysis. Questionnaire was used for data collection with validity and reliability established prior to data collection. Multiple regression analysis revealed that customer focus, continuous process improvement and executive commitment all had a positive significant effect explaining about 44.7 Percent variation in the performance of SMEs in Gboko Local Government. The study recommended that entrepreneurs should focus organizational energies and attention on meeting and exceeding customer expectations as this contributes the greatest in improving the performance of SMEs. SMEs owners should also show commitment and also not neglect to implement continuous process improvements as these have been shown to positively Effect business organizations.

Keywords: Customer focus; continuous process improvement; executive commitment; performance; SMEs.

INTRODUCTION

Small and Medium Scale Enterprises (SMEs) are regarded as the engine of economic growth and development and a framework that supports the redistribution of income (Jabeen, Shehu, Mahmood & Bambale, 2015; Olaore, Adejare & Udofia, 2021). Through SMEs, innovation is harnessed to create quality products and services that are targeted at addressing individual and societal needs (Ohiani, 2021). In Nigeria, the situation is not different. Research by Egbetokun, Olamide, Siyanbola, Adeniyi and Irefer (2014) have shown that SMEs in Nigeria focus more on incremental product and process innovations based on customer expectations. Such innovations are targeted at providing quality products to the market. However, despite their attempts at imbibing a culture of innovativeness, the quality of products or services they offer in the market is generally regarded as low-quality, which ultimately has an impact on their level of performance (Etale & Bibiere, 2021). The low-quality of products offered by SMEs and indirectly their poor state of performance has been a cause of concern to both the government and the academic researchers, which has led to calls to understand what factors account for the low-quality of products and services offered by SMEs in Nigeria especially in Gboko Local Government Area of Benue State.

Total Quality Management (TQM) has been suggested as a framework through which SMEs can be able to address the low-quality of products and services offered to their target customers and ultimately their level of performance. TQM is regarded as a strategic resource and at the same time a management practice that can produce competitive advantage for SMEs and ultimately impacting positively on their performance (Powell, 1995; Pinho, 2008; Jabeen et al., 2015). TQM “is a firm-wide management philosophy of continuously improving the quality of the products/services/processes by focusing on the customers’ needs and expectations to enhance customer satisfaction and firm performance” (Sadikoglu & Olcay, 2014, p.1). Through TQM, SMEs in Nigeria can be able to reengineer their

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production processes, human resources practices, marketing policies and management philosophies and practices to address the declining quality of product offerings in the market and ultimately improve their level of competitiveness and performance.

Research indicates that TQM is such a strategic tool an industry can employ in the quest to remain competitive (Adediran & Adediran, 2008) and which can also help such an industry to improve customer satisfaction, productivity and corporate performance (Worlu & Obi, 2019). This is the gap this study hopes to achieve, to understand the effect that TQM has on the performance of SMEs in Gboko Local Government. Additionally, conflicting research findings involving the effect of TQM on organizational performance (Bayo & Harcourt, 2020) has been identified in literature; a situation which has led to the need to undertake these study to explore whether TQM indeed has an influencing factor on the performance of business organizations using SMEs as a case study. This study therefore, focuses on three aspects of TQM relevant to SMEs and which have been found to be most used by researchers (Dean & Bowen, 1994; Mehmood, Qadeer & Ahmad, 2014) to explore whether TQM has an effect on SME performance.

The study therefore, examines the effect of customer focus, continuous process improvement and executive commitment on the performance of SMEs in Gboko Local Government.

STATEMENT OF PROBLEM

The strategic nature of the concept of TQM is regarded as an important philosophy in 21st century economy and it has been shown to have a significant effect on the performance of business organizations (Sawaeen & Ali, 2021). Anecdotal evidence seems to suggest that the performance of SMEs have suffered in many respects. For instance, the study by Gisaor, Iyortsuun and Musa (2019) involving SMEs in Benue State indicated that the challenge of the business environment has grossly affected their level of performance. The study showed that a high percentage of SMEs in Benue State have failed or at the verge of failure due to the fact that the quality of products or services offered by them in the market are poor or substandard, which negatively affect customer satisfaction and patronage. Such research findings have therefore, provided a motivation for empirical research to really find out the strategies that SMEs may use to improve their performance especially in Gboko Local Government Area of Benue State.

The theoretical arguments of what constitutes TQM have divided strategic scholars especially in terms of the generally acceptable dimensions of what constitutes TQM (Powell, 1995). In addition, empirical research has seems to suggest conflicting research findings on the effect of TQM practice on the performance of businesses especially SMEs with some reporting significant positive effect while others showing that the relationship is not significant (Adediran & Adediran, 2008; Mehmood et al., 2014; Worlu & Obi, 2019; Asenge, Adudu & Torough, 2019). This has led to calls by strategy scholars to explore which aspects of TQM have an effect on the performance of business organizations (Powell, 1995; Sadikoglu & Olcay, 2014). This research study therefore, answers this call by exploring the effect of TQM (proxied as customer focus, continuous process improvement and executive commitment) on the performance of SMEs in Gboko Local Government. The study hopes to test the following assumptions as stated:

- H₀₁: Customer focus has no significant effect on the performance of SMEs in Gboko Local Government.
- H₀₂: Continuous process improvement has no significant effect on the performance of SMEs in Gboko Local Government
- H₀₃: Executive commitment has no significant effect on the performance of SMEs in Gboko Local Government.

LITERATURE REVIEW

Total Quality Management

The concept of quality is central in understanding the strategic perspective conceptualized as TQM. One of the earliest meanings of the concept of quality was provided by Edwards (1968) who defined it as “the capacity of a commodity or service to satisfy human wants.” Edwards argued that human wants are complex and that individuals make cognitive efforts to assess whether a product or service has the capacity to address or satisfy such complex wants. Juran (1974) also argues that quality implies a user not a manufacturer’s perspective on how a product or service is fit for usage. Therefore, the importance of the concept of quality has affected theoretical and empirical arguments on the need to adapt quality in all spheres of business life, which has led to the TQM.

TQM is the holistic perspective of quality held by organizations regarding the functions and activities engaged in by the organization that involves the people who work in such organizations to offer products or services to its end users (Dotchin & Oakland, 1992). It is a strategic philosophy that enables every part of the organization to work towards achieving the same mission, vision and objectives (Ezenyilimba, Ezejiofor & Afodigbueokwu, 2019). Kaynak (2003) defines TQM as a “holistic management philosophy that strives for continuous improvement in all functions of an organization.” It is also defined as a holist approach of continuous improvement by involving all the employees and

under the leadership of top management to achieve customer satisfaction by providing them with quality products and services and in return achieve higher business performance (Demirbag, Tatoglu, Tekinus & Zaim, 2006).

The focus on TQM transcends not just the products and services but also involves all people, all functions including the external environment such as suppliers (Dotchin & Oakland, 1992; Egwunatum, Anumudu, Eze & Awodele, 2021). There are different conceptualizations of the concept of TQM as different authors place emphasis on different as of TQM “and it might be inferred that substantially different philosophies are being represented” (Dotchin & Oakland, 1992, p.133). The context, the user-experience, the product or service offering, the specific activities and functions within the organization, the manufacturing technology among other determine the conceptualization of TQM (Garvin, 1984). Rather than conceptualization TQM philosophy and practices as a uni-dimensional construct, most studies have conceptualized it as a multi-dimensional construct with the following dimensions: management leadership, customer focus, training, strategic planning, employee empowerment and continuous process improvement (Jabeen *et al.*, 2015; Mehmood, Qadeer & Ahmad, 2014). Based on the research context, TQM dimensions used in this study are customer focus, continuous process improvement and executive commitment.

Customer Focus

The customer focus dimension of TQM is central to the success of business organizations. It is “the set of beliefs that puts the customer’s interest first, which does not excluded those of all other stakeholders such as owners, managers and employees, in order to develop a long-term profitability” (Nwokah & Maclayton, 2006, p.65). The philosophy of customer focus in a TQM system emphasis serving the external customers by understanding their expectations and offering targeted products and services accordingly (Sadikoglu & Olcay, 2014). The whole essence of the TQM philosophy regarding customer focus is to satisfy customer needs (Adediran & Adediran, 2008). Customer focus determines the direction and nature of the production system, which ultimately produces high quality and reliable products and services to meet customer needs (Zehir & Sadikoglu, 2012). The TQM philosophy argues that all processes, products and services offered by any organization must be driven by what the customer requires and expects (Ezenyilimba *et al.*, 2019). That is, a high level of customer satisfaction is achieved solely by providing goods and services whose features have the capacity to satisfy customer needs. This is particularly true in the highly competitive business environment where businesses are increasingly depending on their customers which has increasingly indicated the need to understand the current and future needs of their target customers with targeted programmes designed to exceed customer satisfactions

Continuous Process Improvement

Continuous process improvement is an important aspect of TQM. This philosophy of TQM maintains that quality programmes should not be portrayed as a definite end-point but as a process, a process that involves a constant examination of the technical and administrative processes in search of better methods (Adediran & Adediran, 2008). As a strategic variable, TQM philosophy seeks to address the needs of customers through continuous process “improvement efforts at all organizational levels and functions by involving all the stakeholders” (Jabeen *et al.*, 2015, p.24). Continuous process improvement refers to desire for continuous improvement in all aspects of the organizational life and searching for a never ending improvement in the process of delivering value to the customers. As argued by Bayo and Harcourt (2020, p.16), by improving organizational processes, “organizations will be able to generate innovation, improve internal and external processes, meet customers’ expectations and create precious value to all stakeholders.” Therefore, continuous process improvements should not just continuous but should also cover all aspects of organizational life in such a way as to ensure legitimacy by all and sundry. As argued by Escrig-Tena (2004) for continuous process improvement to be successful, top management, human resource management and efficient information system is paramount.

Executive Commitment

Executive commitment as argued by Hambrick, Geletkanycz and Fredrickson (1993) depicts a commitment that top managers have towards a course of action, which they refer to it as a trajectory. Learning from the arguments by Ghemawat (1991), this study considers executive commitment as the persistence of strategies that top-level managers of SMEs show in the entrepreneurial process. Theoretical arguments have indicated that executive leadership and indirectly executive commitment is the most important TQM dimension that has the most Effect on organizational performance (Harrington & Williams, 2004; Sadikoglu & Olcay, 2014). As argued by Chuan and Soon (2000) and Jabeen *et al.* (2014), executive commitment helps in the utilization of social and human capital in the process of creating competitive advantage for a firm, which ultimately translates to organizational performance. Therefore, the degree of commitment and support that management takes in implementing a total quality environment is critical to the success of TQM implementation (Ezenyilimba *et al.* 2019). Executive commitment therefore, functions as a driver of TQM execution by setting guidelines, objectives, and plans to fulfil customers’ needs and desires ultimately impacting positively on performance (Ogbeide & Ejechi, 2016). The commitment of leadership to the TQM philosophy as shown in their daily disposition to work will go a long way in motivating employees to deliver quality services that exceeds the expectation of

customers. In essence, executive commitment or the leadership demonstrated by top management translates all the other aspects of TQM into reality. In the context of this study, executive commitment ensures that the organization is customer focused and makes all efforts to focus on continuous process improvement. Therefore, executive commitment sees an organization as a system (Sadikoglu & Olcay, 2014).

Performance of SMEs

The concept of performance in organizational studies has attracted a lot of debate on what constitutes a measure of business performance (Neely, 1999). The arguments have revolved around whether business performance should be measured using subjective or objective measures. However, research seems to indicate that objective and subjective measures of business performance are highly correlated, which has led to calls to employ performance measures that best satisfy the research objectives (Schachter, 2010). In terms of its meaning, performance is “the output of the firm’s operations or achievements of firm’s goals” (Mehmood, Qadeer & Ahmad, 2014, 664). Organizational performance captures the measure that is used to evaluate and assess the success of an organization to create and deliver value to its external as well as its internal customers (Bayo & Harcourt, 2020). As argued by Rolstadas (1998) organizational performance is a complex relationship involving seven performance criteria that must exist for such an organization to be regarded as successful. These criteria include effectiveness, efficiency, quality, and productivity, quality of work, innovation and profitability. In other words, performance of SMEs could be conceptualized as the metric that is used “to quantify both the efficiency and effectiveness of actions” (Neely, Gregory & Platts, 1995) of managers or owners of SMEs in their entrepreneurial task. It is therefore, all the factors that contribute to the achievement of the strategic objectives of SMEs.

Concept of SMEs

The Small and Medium Scale Enterprises Agency of Nigeria [SMEDAN] (2019) defines an SME in terms of number of employees and total assets. A small enterprise has about 10 – 49 employees with a total asset base of N5m to less than N50m while a medium-sized enterprise has 50 to less than 200 employees with a total asset base of less than N500m. Bank of Industry extended the classification to include annual turnover. For small enterprises, an annual turnover of less than N100m qualifies an SME to be classified as a small enterprise while for an annual turnover of less than N500million qualifies an SME to be classified as a medium-scale enterprise.

EMPIRICAL REVIEW

The study by Zehir, Ertosun, Zehir and Muceldilli (2012) explored the effect of customer focus, continuous process improvement and management leadership on the performance of companies in the Marmara region. The authors found that while customer focus and management leadership had a significant positive effect on firm performance, continuous improvement was not significant. In a related study Sadikoglu and Olcay, (2014) investigated the impact of leadership; process management and customer focus on performance of SMEs. The authors employed a cross-sectional research design on a sample of 242 member firms of Turkish Quality Association that are located in the Kocaeli-Gebze Organized Industrial Zone. The results indicated that while leadership was not significantly related to market and financial performance, customer focus and process management was found to be significant.

In another study by Jabeen *et al.* (2015), the authors employed a cross-sectional research design to examine the effect of management leadership, continuous improvement and customer focus on business performance. Jabeen *et al.* tested their hypotheses using a sample of 367 SMEs operating in Punjab, Pakistan and found that while management leadership was significantly related to business performance; continuous improvement and customer focus were not significant. Mehmood *et al.* (2014) also explored the effect of customer focus, continuous improvement and top management support on the performance of textile manufacturing firms in Punjab, Pakistan. The study had a sample size of 90 and employed multiple regression analysis. The results showed that continuous improvement has a significant positive effect on organizational performance while top management support and customer focus failed as predictors.

Bayo and Harcourt (2020) also carried out a study to investigate the effect of continuous improvement on the performance of deposit money banks operating in Port Harcourt, Rivers State, Nigeria. The study used a sample size of 260 and employed Spearman Rank Order Correlation to test the hypothesis. The authors found that continuous improvement has a significant positive effect on the performance of deposit money banks in Nigeria. Asenge *et al.* (2019) on their part explored the effect of top management commitment, customer focus and process management on the performance of deposit money banks in Nigeria using 32 management staff of selected banks in Makurdi metropolis. Using regression analysis, the authors found that top management commitment, customer focus and process management all have a significant positive effect on the performance of deposit money banks in Nigeria.

On their part Nwokah and Maclayton (2006) explored the impact of customer focus on the performance of organizations using a sample size of 72. The authors reported that customer focus has a direct link with sales growth of the food and beverages organizations in Nigeria. For profitability and market share, the result was not significant. In a

related study by Olowokudejo and Adeleke (2011), the authors examined if there is any relationship between customer-focused services and customer satisfaction in the Nigerian insurance industry. Using a sample size of 149 respondents drawn from the insurance industry in Lagos State, Nigeria, the study showed that there is a positive relationship between customer-focused services and customer satisfaction in the Nigerian insurance industry. Ogbeide and Ejechi (2016) carried out a study to explore the impact of continuous process improvement and top management commitment on the performance of selected hospitals in Edo State, Nigeria. Data was collected from 300 respondents and analyzed using regression analysis. The authors reported that while top management commitment had a significant positive effect on performance, continuous process improvement had a significant negative effect.

Betinah, Ojiabo and Alagah (2018) investigated the connection between customer focus and continuous process improvement on the organizational success of manufacturing firms in Rivers State, Nigeria. Using a sample size of 238 respondents and Spearman's Rank Order Correlation Coefficient as the data analytic technique, the study established that continuous process improvement and customer focus have a significant positive relationship on the organizational success of manufacturing firms in Rivers State. In a related study, Ibidunni, Salau and Falola (2017) investigated the Effect of continuous process improvement and top management commitment on the performance of telecommunications companies in Nigeria. Sample size was 122 drawn from MTN and Globacom with the data analytic technique used to be regression analysis. Ibidunni *et al.* (2017) reported that continuous process improvement has a significant positive effect on performance while top management commitment relationship was not statistically significant. Also a study by Mukhtar (2016) involving 359 service SMEs in Kano established that while management leadership had a significant effect on business performance of SMEs, customer focus and continuous improvement was found to have a statistically non-significant effect.

THEORETICAL REVIEW

Scholars have argued that the quality literature is not readily linked to a well-identified, clearly specified set of ideas and practices, but rather appears to be a loosely coupled collection of orientations and practices (Koskela, Tezel & Patel, 2019). However, there are notable theoretical arguments that have supported the literature one of which is the Theory of Production (Shewhart, 1931). The initial focus of the theory was on design and production espousing quality as the result of such processes. The theory later metamorphosed into the value generation model (Koskela, 2000) by the addition of the notion of customer satisfaction. This implied that the theorization of quality transformed from a focus on inspection orientation through process control, continuous continuous process improvement, to designing quality into the product and process and ultimately customer satisfaction (Koskela *et al.*, 2019). It is this perspective that Effectd Juran (1999) to distinguish between quality as freedom from defects and quality as satisfaction of the customer.

The focus of the theory as argued by Shingo (1988) is on expanding quality control from production to all the departments in an organization and expanding quality control from workers to management and indeed expanding quality control to cover all the operations and processes in an organization. It is on the basis of these theoretical arguments that the three most popular and widely recognized TQM were birthed, which are customer focus, continuous improvement and teamwork (Dean & Bowen, 1994). Koskela *et al.* (2019) argues that customer focus is synonymous with the value generation model of production, continuous improvement is likened to the focus on production and production processes and teamwork is compatible with executive commitment. It is based on these theoretical arguments that this study proposes to use these three dimensions of TQM to explore what Effect they have on the business performance using SMEs in Gboko Local Government as a case study.

METHODOLOGY

This study hopes to explore the effect TQM on performance of SMEs in Gboko Local Government. The population of the study is the registered SMEs that are operational in Gboko local government, which are 198 according to the records at the Benue State Ministry of Commerce and Industry (2020). A sample size of 132 was arrived at when the Taro Yamane (1967) sample size formula was used. The calculation is done as follows:

$$n = N / (1 + Ne^2)$$

Where:

$$\begin{aligned} n &= \text{sample size} \\ N &= \text{population} \\ e &= \text{error term (0.05)} \end{aligned}$$

Hence:

$$\begin{aligned} n &= 198 / (1 + 198 \times 0.05^2) \\ &= 198 / (1.495) \\ &= 132.4 \end{aligned}$$

Therefore, a sample size of approximately 132 was arrived at. In terms of sample size selection, probability sampling procedure was adapted, which gives an equal chance to every SME that is operational in Gboko to be included in the study.

For data collection, questionnaire was designed to capture the required data from the respondents. The questionnaire was divided into two sections; Section solicited information regarding the respondents' characteristics while Section B sought information on the variables of interest in the study, which is customer focus, continuous process improvement, executive commitment and performance of SMEs. Customer focus and performance of SMEs all have a total of 5 questions each while continuous process improvement and executive commitment all have 6 questions each. All the questions on customer focus, continuous process improvement, executive commitment and performance of SMEs were measured on a 5-point Likert scale of Strongly Agree (SA-5) to Strongly Disagree (SD-1). All the questions were also adapted to suit the present research setting.

For data analytic technique, descriptive and inferential statistics were employed. Descriptive statistics showed the characteristics of the respondents while the inferential statistics was used to test the hypotheses stated in this study. The preferred choice of inferential statistics is multiple regression analysis. Multiple regression analysis is a multivariate statistical technique that helps in predicting an outcome variable from one or more independent variable. Since the objective of this study is to explore the effect of TQM dimensions on performance of SMEs, the choice of multiple regression analysis is germane as it will help predict which aspect of TQM has the most effect on performance of SMEs. To ensure that the regression model is robust, the assumptions of linearity, normality and multicollinearity were tested. The violations of these assumptions impact on the beta values that a regression model produces. For the decision rule, the null hypotheses was rejected in favour of the alternative if the p-value is less than 0.05 and the vice versa was the case; that is, the alternative rejected in favor of the null hypothesis when the p-value was greater than 0.05. The model specification was as follows:

$$P = a + b_1CF + b_2CPI + b_4EX + e$$

where:

- P = performance of SMEs
- CF = customer focus
- CPI = continuous process improvement
- EX = executive commitment
- a = constant
- b = beta-values of CF, CPI and EX
- e = error term

RESULTS AND DISCUSSION OF FINDINGS

The results and discussion of finding section is divided into two major sub-sections: the results section which is further subdivided into the descriptive sub-section and the test of hypotheses sub-section and the discussion of findings section. These sections are presented as follows.

Results

Descriptive Analysis

132 questionnaires were distributed to owners and/or managers of SMEs in the study area and 128 were retrieved from them. Of the retrieved questionnaires, 7 were wrongly filled and therefore excluded from further analysis producing a final sample size of 121. Using frequency and percentages to calculate the respondents' characteristics, the results revealed that 77 (63.6%) of sampled SMEs were owned or managed by male entrepreneurs while only 44 (36.4%) were manned by female entrepreneurs implying that most owners or managers of SMEs were male. In addition, the study further revealed that 30 (24.8%) were within the age range of 20-30 years; 32 (26.4%) were within the age range of 31-40 years; 41 (33.9%) were within the age range of 41-50 years; while only 18 (14.9%) of sampled SMEs were manned by entrepreneurs that were above 50 years. This implies that most sampled SME owners or managers were above 30 years of age. Most of the sampled SMEs were in the retail sector 19 (15.7%) with some with operations in the services sector 32 (26.4%), education sector 46 (38.0%), manufacturing sector 14 (11.5%) and oil and gas sector 10 (8.4%). This information is clearly shown in Table 1.

Table-1: Respondents' Characteristics

Respondent Characteristics	Frequency	Percentage
Male	77	63.6
Female	44	36.4
Total	121	100.0
20-30 years	30	24.8
31-40 years	32	26.4
41-50 years	41	33.9
50 years and above	18	14.9
Total	121	100.0
Retail	19	15.7
Services	32	26.4
Education	46	38.0
Manufacturing	14	11.5
Oil and gas	10	8.4
Total	121	100.0

Source: Author Computations (2021)

Reliability and Validity

Regarding the reliability of the measurement instruments, Cronbach's Alpha was used to assess whether the variables are reliable. Reliability measures the consistency of results if multiple measurements are taken of variables. The results of the calculation of the Cronbach's alpha showed that customer-focus has a reliability value of 0.740; continuous process improvement has a value 0.719; executive commitment has a value of 0.802 while performance of SMEs has a value of 0.728. Based on the minimum threshold value of 0.70 as suggested by Nunnally (1978) the calculated Cronbach's alpha values were reliable (see Table 2). In terms of validity, the measurement instruments were subjected to face and content validity. Two experienced strategic management specialist, one in the academic environment and the other in business, were contacted and presented with the questions that were designed for the study. The specialist reworded the questions to reflect the meaning as intended. Their inputs were then used to improve the presentation of the questions that were used in the subsequent data collection and analysis.

Table-2: Reliability of Instruments

Variables	Cronbach's Alpha	Number of Items
Customer focus	.740	5
Continuous process improvement	.719	6
Executive commitment	.802	6
Performance of SMEs	.728	5

Source: Author Computations (2021)

Assumptions of Regression Analysis

As earlier indicated, the assumptions of regression analysis were evaluated in order to establish whether they were violated. For normality and linearity, the histogram was normally distributed about the mean while the Normal P-P Plot of Regression Standardized Residual reasonably followed a straight line. These indicated that normality and linearity assumptions were reasonably satisfied. In terms of the multicollinearity, the Tolerance values and Variance Inflation Factor (VIF) were calculated. The Tolerance for customer focus, continuous process improvement and executive commitment were found to be 0.919, 0.945 and 0.931 while VIF values were 1.088, 1.059 and 1.074 respectively. All the values were within the acceptable limits of < 0.1 and < 10 respectively making the dataset appropriate for regression analysis.

Test of Hypotheses

The main objective of this study is to examine the effect of TQM on the performance of SMEs in Gboko Local Government. The specific objectives were to examine the effect of customer focus, continuous process improvement and executive commitment on the performance of SMEs in Gboko Local Government Area. By employing the multiple regression analysis, the study found the following. The regression model was statistically significant as shown by the F-statistics and p-value in the ANOVA Table (see Table 3) as follows: $F=30.704$, $df_{(3,114)}$; and $p<0.001$. This implies that the model was significant and therefore, appropriate for further exploration. In addition, the regression model explained about 44.7% of the variation in the performance of SMEs in Gboko Local Government implying that 55.3% of the variation in performance was accounted for by other variables. This information is contained in the Model Summary Table (Table 4).

Table-3: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.986	3	29.995	30.704	.000 ^b
	Residual	111.370	114	.977		
	Total	201.356	117			
a. Dependent Variable: Performance of SMEs						
b. Predictors: (Constant), Customer Focus, Continuous process improvement, Executive Commitment						

Table-4: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.669 ^a	.447	.432	.988
a. Predictors: (Constant), Customer Focus, Continuous process improvement, Executive Commitment				
b. Dependent Variable: Performance of SMEs				

Table-5: Test of Hypotheses

Hypotheses	Unstandardized Coefficients		t	Sig.	Decision
	B	Std. Error			
(Constant)	-.904	.482	-1.877	.063	
Customer Focus (H ₁)	.584	.096	6.105	.000	Reject
Continuous process improvement (H ₂)	.226	.070	3.218	.002	Reject
Executive Commitment (H ₃)	.432	.073	.428	.000	Reject

Dependent variable: Performance of SMEs

Predictors: (Constant), Customer Focus, Continuous process improvement, Executive Commitment

Source: Author Computations (2021)

Test of hypotheses was examined using the B-values, t-values and p-values. The results of the multiple regression analysis regarding the three hypotheses are presented in Table 5. In summary, Hypothesis One, Hypothesis Two and Hypothesis Three were all rejected based on the results of the multiple regression analysis.

Hypothesis one was stated that customer focus has no significant effect on the performance of SMEs in Gboko Local Government. Based on the results of the multiple regression analysis, this hypothesis was rejected in favour of the alternative that customer focus has a significant positive effect on the performance of SMEs in Gboko Local Government as indicated by the following statistics: B = 0.584, t = 6.105, p < 0.001).

Hypothesis Two stated that continuous process improvement has no significant effect on the performance of SMEs in Gboko Local Government. Based on the results of the multiple regression analysis, this hypothesis is also rejected in favour of the alternative which states that continuous process improvement has a significant positive effect on the performance of SMEs in Gboko Local Government as indicated by the following statistics: B = 0.226, t = 3.218, p < 0.01.

Lastly, Hypothesis Three stated that executive commitment has no significant effect on the performance of SMEs in Gboko Local Government. The evidence as provided by the multiple regression analysis has failed to support the acceptance of this hypothesis and was therefore, rejected in favour of the alternative which states that executive commitment has a significant positive effect on the performance of SMEs in Gboko Local Government as indicated by the following statistics: B = 0.432, t = 5.925, p < 0.001.

DISCUSSION OF FINDINGS

This study was designed to assess the Effect of TQM on the performance of SMEs in Gboko Local Government. The study tested three hypotheses. Hypothesis one stated that customer focus has no significant effect on the performance of SMEs in Gboko Local Government; Hypothesis Two stated that continuous process improvement has no significant effect on the performance of Gboko Local Government; while Hypothesis Three stated that executive commitment has no significant effect on the performance of SMEs in Gboko Local Government. Employing the multiple regression analytical technique, the results of the study are presented and discussed as follows.

In terms of Hypothesis One, the result of the regression analysis failed to accept the hypothesis and was therefore rejected. This implies that customer focus has a significant positive effect on the performance of SMEs in Gboko Local Government. This finding agrees with the earlier research that has shown that customer focus has a significant positive effect on performance (Nwokah & Maclayton, 2006; Olowokudejo & Adeleke, 2011; Zehir *et al.*,

2012; Sadikoglu & Olcay, 2014; Betinah *et al.*, 2018; Asenge *et al.*, 2019). In essence, if SMEs philosophical assumptions in terms of TQM emphasis on the customer, then their performance levels will improve positively.

For Hypothesis Two, the evidence has supported the rejection of the hypothesis in favor of the alternative that continuous process improvement has a significant positive effect on the performance of SMEs in Gboko Local Government. Similar research findings have been reported by the following authors Sadikoglu and Olcay (2014), Mehmood *et al.* (2014), Ibidunni *et al.* (2017), Betinah *et al.* (2018) and Asenge *et al.* (2019) who seems to support such a research conclusion. This implies that if SMEs consciously implement continuous process improvement in all aspects of their business operations, these will contribute positively in the improvement of their business performance.

Lastly, Hypothesis Three was stated to show that executive commitment has no significant positive effect on the performance of SMEs in Gboko Local Government. The result also fails to support the acceptance of the hypothesis and was therefore, rejected in favor of the alternative that executive commitment has a significant positive effect on the performance of SMEs in Gboko Local Government. This implies that SMEs whose owners show high levels of commitment will influence positively on the performance of their business operations. Similar research conclusions have been reported in literature that executive commitment has a significant Effect on performance (Zehir *et al.*, 2012; Jabeen *et al.*, 2015; Ogbuide & Ejechi, 2016; Muktar, 2016; Asenge *et al.*, 2019).

SUMMARY AND CONCLUSIONS

This study attempted to examine the effect of TQM dimensions of customer focus, continuous process improvement and executive commitment on the performance of SMEs in Gboko Local Government. The study was therefore, carried out on registered SMEs that are operational in Gboko Local Government, the population which was 198. However, a sample size of 132 was arrived at using the Taro Yamane formula while 121 was the final sample used for analysis after exclusion of missing questionnaires and/or questionnaires that were wrongly filled. Prior to data collection, test of reliability and validity of the questionnaire was carried out. For validity, the Cronbach's alpha showed for customer focus, continuous process improvement and executive commitment was 0.740, 0.719 and 0.802 respectively while for performance of SMEs, the value was 0.728. Regarding validity, face and content validity ensured that the questionnaire was valid.

The collected data was analyzed using descriptive and inferential statistics. The results indicated that majority of owners or managers of SMEs were male who were above the age group of 30 years. In addition, majority of the sampled SMEs were in the retail sector followed by the services sector then the education sector, manufacturing sector and then oil and gas sector. For the regression analysis, the model was significant explaining about 44.7% of the variation in the performance of SMEs in Gboko Local Government. All the dimensions of TQM studied in this study, which was customer focus, continuous process improvement and executive commitment all had a significant positive effect on the performance of SMEs in Gboko Local Government. However, customer focus contributed the most in explaining variation in the performance of SMEs followed by executive commitment and continuous process improvement. The study has therefore, established the positive role that TQM has on the performance of SMEs in Gboko Local Government indicating clearly which aspects of TQM has the most effect on the performance of SMEs.

RECOMMENDATIONS

The study made the following recommendations:

- 1) Entrepreneurs should focus organizational energies and attention on meeting and exceeding customer expectations as this contributes the greatest in improving the performance of SMEs. SMEs should focus on customer satisfaction so as to improve their performance.
- 2) Entrepreneurs should also show a high level of commitment to their SMEs as this has the second most important effect on its performance besides customer focus. Entrepreneurs and/or managers who are committed to their SMEs will help significantly in improving their performance.
- 3) Lastly, SMEs should develop strategies that will focus on the improvement in the level of products and services provided to the target market. Such strategies should align with the other strategies of focusing on customers and executive commitment so that the performance of SMEs could be influenced positively.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

There are noticeable limitations for this study one of which is the small nature of the sample size. This will affect the generalization of the research findings. Future studies should explore this relationship using a longitudinal research designs. Another notable limitation of the study is the use of only three dimensions of TQM, which are customer focus, continuous process improvement and executive commitment. Future studies could explore other dimensions of TQM such as strategic quality, planning, supplier management, benchmarking, and employee improvement among others. In addition, other aspects of performance could be used in future research such as growth of SMEs, profitability,

customer satisfaction etc. lastly, future studies could include third variables such as mediators and/or moderators. The inclusion of such variables helps in exposing the contribution of the study to the theoretical debate on TQM. Despite these limitations, this study has established the positive role of TQM on the performance of SMEs in Benue State. The study has shown that TQM is an important strategic management variable that is applicable in SMEs. Indeed, the study established that the concept is relevant in understanding the factors that help SMEs improve their level of performance.

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