Impact of Total Quality Management practices on organizational performance of manufacturing companies in Sri Lanka: Special reference to Gampaha district

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Abstract

Total Quality Management (TQM) is important for every organization which aims to achieve long-term success through customer satisfaction. This study aimed at assessing the impact of TQM practices on organizational performance of manufacturing companies in Sri Lanka, with special reference to Gampaha District, by testing six hypotheses. In this study, TQM practices were discussed under five dimensions; leadership, customer focus, strategic planning, employee management and involvement, and supplier quality management. Organizational performance was measured under three dimensions; quality performance, financial performance, and employee performance. The sample consists of 100 managerial level employees of the manufacturing companies in Gampaha District. Pearson's correlation analysis and multiple regression analysis were conducted to test hypotheses. Results of Pearson's correlation analysis revealed significant-positive relationships between all TQM practices and organizational performance. According to the regression analysis, leadership and supplier quality management had significance influence on organizational performance. Also, this study recommended that, manufacturing organizations should properly implement TQM practices to improve organizational performance.

Keywords: Manufacturing organizations, organizational performance, total quality management, TQM practices