



ANALYSIS OF THE EFFECT OF THE APPLICATION OF TOTAL QUALITY MANAGEMENT (TQM) ON PERFORMANCE IMPROVEMENT THROUGH LEADERSHIP

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Article Information Abstract

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The results of the study indicate that there is a direct and indirect effect. Total Quality Management (TQM) is a method used by customer satisfaction oriented companies to improve managerial performance. This study aims to determine the direct and indirect effect of TQM on performance through leadership as a moderating variable. The research method is a quantitative research conducted at the Jatibanteng Public Health Center. The number of samples in the study was 73 with a sampling technique using the entire total population. Analysis of the data used is using smartPLS. First, leadership has a direct effect on employee performance with a t statistic of 8,581. Second, TQM has a direct effect on leadership with a t statistic of 54.377. Third, TQM has a direct effect on employee performance with a t statistic of 11.762. Fourth, the results of the analysis of P value < 0.005 means that there is an indirect effect between TQM on employee performance, which can also be interpreted if the intervening variable (leadership) plays a role in mediating the relationship between TQM and employee performance.

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INTRODUCTION

The era of globalization has reached into various aspects of life. In the current era of globalization, totality is indispensable in producing the highest quality products and services. The best quality will be obtained by making continuous efforts to improve human capabilities, processes and the environment. In order for a company or agency to have an advantage on a global scale, the company must be able to perform better in order to produce high-quality goods and services. Companies can excel in global competition, namely by quality. Quality is a dynamic condition associated with products, services, people, processes and environments that meet expectations. Without quality, no matter how large the quantity produced will never succeed in achieving the desired results.

Puskesmas or public health center is an organization that manages health services as a

whole. Within the organization there are many activities organized by officers of various types of professions, both medical, paramedical and non-medical professions. In order to carry out its function as a health service manager, a comprehensive management system is needed starting from the strategic planning process. both for the long and short term. The success of the performance of the puskesmas is the same as in other organizations or companies, namely not only in sophisticated and modern facilities but also in qualified human resources and having high competence.

Organizational performance is an indicator of the level of achievement that can be achieved and reflects the success of an organization, and is the result of the behavior of organizational members. Total Quality Management (TQM) is a management system that aims to improve customer-oriented quality by involving all members of the organization. In

achieving good and quality performance, effective and efficient efforts are needed, so that Total Quality Management (TQM) is considered the right thing to do. The concept of Total Quality Management is defined as a way of continuously improving performance (continuous performance improvement) at every level of operation or process, in every functional area of an organization, by using all available human and capital resources (Gaspersz, 2001).

In general, employees are people who work in an organizational environment that includes leaders and implementers (Nawawi, 2015). Leadership is an important part of management, but it is not the same as management. Leadership is a key element in the successful implementation of TQM on a large scale. Leaders indicate needs and Develop a vision, define the background, goals, and parameters of TQM. However, in reality, leaders can influence morale and job satisfaction, security and quality of work life and organizational performance.

Total Quality Management (TQM) can also be applied to public health service agencies, both hospitals and health centers. The application of TQM in health facilities helps improve the performance of health workers in these agencies. Situbondo Regency has 17 sub-districts with 20 health centers to serve the 17 sub-districts spread across the Situbondo Regency (Situbondo District Health Office, 2021). In 2020 data from the Health Service Facility Quality Improvement Section of the Situbondo District Health Office, the value of the community satisfaction index with services at all health service agencies in Situbondo Regency, both hospitals and health centers. The results of the assessment showed that the five institutions with the highest scores were Puskesmas including Jatibanteng Health Center (3.6), Panji Health Center (3.57), Asembagus Health Center (3.51), Banyuglugur Health Center (3.36), and Wonorejo Health Center (3, 24). The results of the satisfaction index assessment are that the Jatibanteng Health Center received a very good predicate with an index value of 3.6 and a conversion value of 89.97 where Jatibanteng Health Center was ranked first. The interesting thing is that 2020 is the peak of the COVID-19 pandemic in Indonesia, and Situbondo Regency is one of the districts that contributed to COVID-19 cases in East Java. This caused several puskesmas and even hospitals in Situbondo Regency to almost collapse, but the Jatibanteng Health Center was still able to survive during the COVID-19 Pandemic.

Assessment of the Community Satisfaction Survey of the Public Service Provider Unit consists of: (1) Requirements, (2) Systems, Mechanisms, and Procedures, (3) Completion Time, (4) Costs/Tariffs, (5) Product Types of Service Specifications, (6) Implementing Competencies (7) Implementing Behavior, (8) Handling Complaints, Suggestions and Inputs, and (9) Facilities and Infrastructure are then combined in a formula and applied to the Likert scale, which is a scale to measure the level of community satisfaction with services.

Jatibanteng Health Center has 73 employees with a complete composition of employees. Employee involvement and empowerment is necessary for all employees to produce competent human resources. Diverse human resources at the Jatibanteng Health Center if empowered, the quality of work of the employees will increase and the quality of service will increase. In realizing quality, continuous improvement efforts are needed by all parties, both in terms of human resources at all levels of technology used, to the methods and methods used as well as the environment and so on. One of the efforts to improve service quality is through the application of TQM (Total Quality Management) because improving employee performance is closely related to improving service quality (Febriyani, 2010). The results of research conducted by Liberty (2013) in the title Relationship between the Application of TQM (Total Quality Management) and Employee Performance at the Bahu Health Center succeeded in proving that the variable elements of Customer Focus, Teamwork, and Education and training in the application of Total Quality Management (TQM) have relationship with employee performance at the Puskesmas Bahu, Malalayang District, Manado City.

The Jatibanteng Health Center is able to maintain the quality of service to patients even during the 2020 COVID-19 pandemic in providing health services. This study aims to analyze the effect of implementing TQM at the Jatibanteng Health Center in improving the performance of Puskesmas employees through leadership variables so that the Jatibanteng Health Center can provide optimal service when other health care agencies experience collabs.

RESEARCH METHODS

This research is an analytical study with an observational design because it aims to test hypotheses and explain a situation or situation regarding the influence (Nazir, 2009). The research was conducted at the Jatibanteng Health Center, Situbondo Regency. The population in this study were all employees of the Jatibanteng Health Center as many as 73 people. The sampling technique used is the total sampling, so the number of samples is 73. The variables in this study consisted of the total quality management (TQM) variable as the dependent variable, employee performance as the independent variable, and leadership as the intervening variable. Data analysis using smartPLS to determine the direct and indirect effects.

RESULT AND DISCUSSION

1. Result

a) Characteristics of respondents

Characteristics of respondents in this study include gender, age, education, length of work, marital status, and employment status. Respondent characteristics were analyzed descriptively to provide an explanation of the description of each component of the respondent's characteristics. The total number of respondents was 73 people.

1) Gender

The following are the characteristics of research respondents based on gender:

No	Gender	Amount (n)	Percentage (%)
1.	Man	20	27.4
2.	Women	53	72.6

Based on the table above, it shows that the majority of respondents or puskesmas employees are women as many as 53 people or 72.6%. While a small proportion are men, amounting to 20 people or 27.4%. This is because the midwives, nutritionists, and some of the staff are women, while the men are nurses and several other staff. In this study, the respondents were

dominated by women. Work culture can be divided into masculine and feminine dimensions. Masculine-oriented work culture, men at work have strength, creativity, and a sense of responsibility. In a feminist work culture, a woman works in roles such as teaching, caring for patients, and helping others (Gibson, 2012).

2) Age

The following are the characteristics of research respondents based on the age of the respondents.

No	Age	Amount (n)	Percentage (%)
1.	21 – 30 years old	38	52.1
2.	31 – 40 years old	28	38.4
3.	41 – 50 years old	3	4.1
4.	51 – 60 years old	4	5.5

Based on the table above, it shows that some of the respondents aged 21-30 years were 38 people or 52.1%. While a small proportion aged 31-40 years were 28 people or 38.4%. Respondents aged 41-50 years amounted to 3 people or 4.1% and aged 51-60 years amounted to 4 people or 5.5%.

3) Education

In distributing the questionnaire, the education level was categorized into Senior High School, D3, D4, S1, and S2 education. The following are the characteristics of research respondents based on respondents education.

No	Education	Amount (n)	Percentage (%)
1.	Senior High School	7	9.6
2.	D3	29	39.7
3.	D4	3	4.1
4.	S1	33	45.2
5.	S2	1	1.4

Most of the respondents' education was bachelor's degree, which was 33 people or 45.2%. Meanwhile, for D3 Education there were 29 people or 39.7%. High school education is 7 people or 9.6%, D4 education is 3 people or 4.1%, and Masters Education which is the highest

education of respondents is only 1 person or 1.4% of the total respondents.

4) Working Length

The following are the characteristics of research respondents based on the respondent's length of service.

No	Length of work	Amount (n)	Percentage (%)
1.	<5 years	27	37
2.	5 – 10 years	23	31.5
3.	10 – 15 years	18	24.7
4.	>15 years	5	6.8

Based on table shows as many as 27 people or 37% of respondents worked less than 5 years. A total of 23 people or 31.5% have worked for a period of 5 – 10 years, 18 people or 24.7% have worked for 10-15 years, and 5 people or 6.8% have worked for more than 15 years. According to Robins and Judge (2011), employees who have worked for many years will understand more about the details of the tasks they are doing and have more experience with their work. The tenure

of work is positively related to work productivity, this can be seen from the experience and assignment of positions held by employees with longer tenures than new ones.

5) Marital Status

The following are the characteristics of research respondents based on the respondent's marital status.

No	Marital Status	Amount (n)	Percentage (%)
1.	Married	63	86.3

2.	Not married	10	13.7
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Based on table, almost all of the respondents were married, as many as 63 people or 86.3%. Meanwhile, a small proportion are not married as many as 10 people or 13.7%.

6) Employment Status

The following are the characteristics of research respondents based on the respondent's employment status.

No	Employment Status	Amount (n)	Percentage (%)
1.	PNS	26	35.6
2.	PTT	13	17.8
3.	Volunteer	34	46.6

Based on table shows the highest number of employees, namely volunteers as many as 34 people or 46.6%. PNS as many as 26 people or

35.6%. The number of PTT employees is 13 people or 17.8%.

b) Model Feasibility Test

1) Validity

Indikator	Outer Loading
FDP	0.852
KST	0.767
PYB	0.918
PDP	0.914
KPK	0.879
KPP1	0.864
KPP2	0.871
KPP3	0.892
KPP4	0.864
KPP5	0.853
KPP6	0.756
KPP7	0.716
KPP8	0.793
KPP9	0.747
KPP10	0.942
KPP11	0.874
KPP12	0.852
KPP13	0.926
KPP14	0.873
KPP15	0.938
KPP16	0.879
KPP17	0.857

The results of data processing with smartPLS show that the indicators for each variable in this study have a loading factor value of > 0.70 so that it can be declared valid. In

addition to the validity test or convergent validity, it can be seen from the AVE (Average Variance Extracted) value in the table below:

Variable	AVE Value
TQM	0.753
Leadership	0.821
Employee Performance	0.731

Based on the outer loading value and the AVE value, it can be concluded that the data in this study meet the convergent validity value.

2) Reliability

Variable	Cronbach's Alpha	Composite Reliability
TQM	0.947	0.938
Leadership	0.888	0.932
Employee Performance	0.977	0.979

Based on the table above shows the value of Cronbach's Alpha in each variable > 0.6 so it is declared reliable or reliable. The value for composite reliability on each variable in this study

has met the requirements > 0.7, which means it has met the minimum value limit that has been required.

3) R Square

	R Square
Leadership	0.822
Employee Performance	0.970

a. The value of R Square on path 1 is 0.970, meaning that the ability of the TQM variable in explaining employee performance variables is 97%.

b. The value of R Square on path 2 is 0.822, meaning that the ability of the TQM variable in explaining employee performance variables is 82%.

c) Hypothesis Test

Variable	Original Sample	Sample Mean	Standard Deviation	T Statistic	P Values
Leadership → Employee Performance	0.429	0.432	0.050	8.581	0.000
TQM → Leadership	0.907	0.908	0.017	54.377	0.000
TQM → Employee Performance	0.579	0.577	0.049	11.762	0.000

The results of the hypothesis test above show that there is a direct effect if the P value < 0.05. The following is an interpretation of the results of hypothesis testing:

a. Leadership has a direct effect on employee performance

The coefficient value of the influence of leadership on employee performance is 0.429 and the T statistic is 8.581. These results state that the T statistic is significant because > 1.96 is 8.581 > 1.96 and the P Value is 0.000 < 0.05, so the hypothesis is accepted. If leadership is increased by 1 time, then employee performance will increase by 0.429 times.

b. TQM has a direct effect on leadership

The coefficient value of TQM's influence on leadership is 0.907 and the T statistic is 54.377. These results state that the T statistic is significant because > 1.96 is 54.377 > 1.96 and the P value is 0.000 < 0.05, so the hypothesis is accepted. If TQM is increased by 1 time, then leadership will be increased by 0.907 times.

c. TQM has a direct effect on employee performance

The coefficient value of the influence of TQM on employee performance is 0.579 and the T statistic value is 11.762. These results state that the T statistic is significant because > 1.96 i.e. 11.762 > 1.96 and the P value is 0.000 < 0.05, so the hypothesis is accepted. If leadership is increased by 1 time, then employee performance will increase by 0.579 times.

d. TQM has an indirect effect on employee performance through leadership

Leadership has a direct effect on employee performance by 0.429. TQM has a direct effect on leadership of 0.907. TQM has a direct effect on employee performance by 0.579, therefore it can be said that TQM has an indirect effect on employee performance through leadership. Based on the results of the analysis, it

can be seen that the P value < 0.005 means that there is an indirect effect between TQM on employee performance, which can also be interpreted if the intervening variable (leadership) plays a role in mediating the relationship between TQM and employee performance.

2. Discussion

a. The influence of leadership on employee performance

Leadership broadly includes the influential processes in determining organizational goals, motivating followers' behavior in achieving goals. Leadership is an activity to influence the behavior of others, or Monday to influence the behavior of other people or groups.

The results of this study indicate if there is an influence between leadership on improving employee performance at the Jatibanteng Health Center. This is indicated by the results of the statistical T analysis, which is significant because > 1.96, namely 8.581 > 1.96 and the P Value 0.000 < 0.05, so the hypothesis is accepted. This is in line with the research of Sri Maryati, Awatara & Rahayu () which states that there is an influence of leadership on the performance of the employees of the Nogosari Public Health Center. If leadership increases or is higher, it will have an impact on employee performance which also increases. Employees will have good performance, if they have wants, expectations, needs, goals, goals, drives and incentives that are supported by good work skills. Based on this, the leadership function is expected to help improve the work ability of employees which will have an impact on improving performance.

b. The effect of TQM on leadership

The implementation of TQM has a positive impact on employee performance. Good leadership can improve employee productive behavior. The results of the analysis of this study stated that the T statistic was significant because

> 1.96 , namely $54,377 > 1.96$ and the P value was $0.000 < 0.05$, so the hypothesis was accepted.

There are several supporting elements in order to be successful in implementing TQM, namely ethics, integrity, trust, education and training, teamwork, leadership, communication, and appreciation (Natha, 2008). Leadership is one of the elements supporting the successful implementation of TQM. When an agency decides to implement TQM as a key in the management process, the leadership's role as advisor, teacher, and leader cannot be underestimated. Leaders or managers must direct efforts to achieve goals by providing, using communicative tools and materials. So, TQM and leadership have an impact or influence on each other. Research by Chairany and Wahyu Lestari (2011) states that the company's performance will increase when the company implements TQM and joint leadership.

c. The effect of TQM on employee performance

Total Quality Management (TQM) is a method used by customer satisfaction-oriented companies to improve managerial performance. TQM is a way to continuously improve performance at every level of operations or processes in every functional area of an organization using available human resources (Gasperz, 2011). The results of this study state that TQM has a direct effect on employee performance at the Jatibanteng Health Center according to the results of data analysis which states that the T statistic is significant because > 1.96 is $11.762 > 1.96$ and the P Value is $0.000 < 0.05$, so the hypothesis is accepted.

The results of this study are the same as those revealed by Chrisye N. Mononimbar (2013) which states that there is a significant and positive effect of TQM on customer performance and satisfaction. Research conducted by Said Alhudri & Meyzi Heriyanto (2015) also obtained the same results, namely stating that there is a positive and significant relationship between TQM and performance. Research conducted by Parwitasari & Wirasedana (2018) states that total quality management has a significant positive effect on managerial performance.

The implementation of TQM consists of several indicators, including customer focus, teamwork, continuous improvement, education and training, and employee involvement and empowerment. The purpose of the puskesmas in providing optimal service is to achieve customer (patient) satisfaction which is characterized by reduced complaints from patients, this shows increased performance (Putro, 2017). Research conducted by Zulaika (2008) states that the variable focus on customers and continuous improvement has a positive effect on performance, Dahar (2012) states that the application of TQM has a significant effect on managerial performance, and is strengthened by the research of Chairany and Lestari (2011) which states if the application of TQM has a positive and significant effect on performance. The TQM theory of continuous system improvement aims to improve the overall performance of an organization in an evolutionary manner through small but continuous improvements in efficiency.

Hansen and Mowen (2004:17) argue that system improvement is something that is fundamental in nature for the development of a perfect manufacturing process.

d. Leadership as a moderating influence of TQM on employee performance through leadership

Leadership is a personal attitude in leading the implementation of activities in achieving the desired goals (Shared Goal, Hamhiel, and Coons, 1957). If leadership is applied properly, then one's motivation to try to motivate in achieving the desired goals is achieved.

The moderating variable is a variable that can strengthen but also weaken the relationship between the independent and dependent variables. The results of data analysis that have been carried out show that leadership is a moderating variable, which means that the higher the leadership, the stronger the relationship between TQM and the performance of puskesmas employees. Good leadership can strengthen the relationship between TQM and employee performance. The results of the analysis of the influence of TQM which is moderated by the leadership have an effect on employee performance.

Based on the results of the research on the moderating effect of leadership between TQM on performance which shows an influence, it means that the leadership carried out by the Jatibanteng Health Center is quite good. This was also conveyed by respondents if the leader establishes good communication, provides motivation and enthusiasm to achieve the target, carries out the vision and mission accompanied by innovation so that it can provide optimal service to the community. This was proven when the Jatibanteng Health Center obtained the highest community satisfaction index value in 2020.

Good leadership can improve employee productive behavior which moderates the relationship between TQM and employee performance. Based on the explanation above, leadership as a moderating variable between TQM on employee performance, as in the research of Chairany and Lestari (2011).

CONCLUSION

Leadership has a direct effect on employee performance with a t statistic of 8,581. If the leadership variable increases, the employee's performance will also increase. Good leadership will help improve the work ability of employees by providing support, feedback, motivation according to employee expectations so that it can help improve employee performance.

Total quality management (TQM) has a direct effect on leadership with a t statistic of 54,377. Leadership is one of the elements that determine the success of TQM. An agency that implements total quality management (TQM) means that the leader acts as an advisor, teacher, and the role of the leader must direct it to achieve goals, so it can be concluded that leadership and TQM mutually influence and have an impact.

There is a direct effect of TQM on employee performance with a statistical value of 11.762. If the implementation of TQM is improved, then employee performance will increase. The implementation of TQM consists of several indicators, namely customer focus, teamwork, continuous improvement, education and training, and employee involvement and empowerment. If all these indicators are applied, it will result in good performance from puskesmas employees.

There is an indirect effect of TQM on employee performance moderated by leadership. Leadership moderates TQM and employee performance, meaning that the leadership variable can strengthen or weaken the relationship between the TQM variable and employee performance. Leadership is a moderating variable, meaning that the higher the leadership, the stronger the relationship between TQM and the performance of puskesmas employees. Good leadership can strengthen the relationship between TQM and employee performance.

RESEARCH LIMITATIONS AND SUGGESTIONS

This study only analyzes the impact or influence of the application of TQM on the performance of puskesmas employees. Based on this, suggestions for further researchers are expected to be able to examine more deeply about the application of TQM with a qualitative approach. In addition, it is hoped that the Health Office can facilitate seminars on the application of TQM so that other health service agencies can also implement TQM to support employee performance improvement.

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