Important TQM Implementation Contributors in Service oriented Organization like Banks in Pakistan

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Abstract

Subsequent to its growth and exceptional achievements, Total Quality Management (TQM) needs to be implemented out of the Manufacturing industry to service organizations, like Private Banks. Study explores prospects of using Soft TQM and Hard TQM in service oriented organizations and investigates how helpful it can be for growth and development of service focused organizations like private banking sector and sees how TQM can help these Banks to excel in their Organizational Performance. These organizations have been employing various methods to develop this sector, increase its capability to get better place in global market and increase investment in this sector. However, till to date far less work is done to control quality to get better results in this sector. Through quantitative research with 5 point Likert’s scale and Baron and Kenny’s model of moderation, this study will try to demonstrate that the Soft TQM along with Hard TQM can give enormous growth to the service sector by increasing the customer orientation and will be helpful to attain competitive edge. The research has examined the moderating effect of Hard TQM on the relationship of Soft TQM and Organization performance; it is notable from this research that the magnitude of this relationship has increased from 0.401 to 0.421. These results indicate that the use of Hard TQM in the Service oriented Organization like banking sector leads to increase the relationship of Soft TQM and Organizational Performance and gives more power to these organizations to control their quality and thrive on international level.

Key Words: TQM, Leadership, People Management, Customer Focus, Planning, Process Management, Information and Analysis Hard TQM, Soft TQM, Private Banking Sector, Pakistan

Introduction

In today’s times, organizations are facing growing challenges from international competition and more complicated customers in terms of diverse product requirements and changing desires. Most associations are starting to request the Japanese standard quality procedures of
output and belief using these they can achieve the needed development in the markets for increasing their profitability. One of the major concepts that came from the Japanese commerce is TQM, which means that all workers inside an organization must take part in improving the product or service value, an undertaking that was before the concern of the value command department employees Salman et al [62]. Feigenbaum says, TQM is “An efficient system that aims to achieve total quality through the combined effort of all the employees within the organization in order to produce a product/service that will meet the needs and expectations of the customer with minimum cost”. Total Quality Management (TQM) is considered to be most important aspect for quality concerning debate. Due to globalised world and more aware customer’s selection, the business world has become more concerned about the effective and reformed product and services requirements from customer side. The more customers became concerned about the product, the better product & services and their concerned production techniques emerged. TQM is a management’s philosophy to retain current customers and to generate new customers for the companies on the basis of customer satisfaction constraints. If TQM is applied in an ineffective way it will not reap enough advantage in terms of organization’s ability to retain and gain new customers which will go very hard of organization’s finances and very existence. Most Bank officials will like to accept as true that banks are organizations in the investment sector and not in the service sector. Thus they are inclined to economic skills (e.g. Asset, liabilities, loans, cash flow etc.) rather than service thinking. However, banking business depends upon client satisfaction to continue business with the bank. This classifies them as a service enterprise. When the customer interacts with the front line personnel and requires a certain service, it is this instant of reality that decides if the customer will arrive back or move to the next door competitor. Thus banks are inclined to benefit from the TQM customer-first strategy.

Total quality management is a way followed by many firms to increase their productivity and Organizational performance. People believe that by implementing TQM, the efficiency, effectiveness and productivity of organizations can be enhanced Zhang et al [77]. Quality management implementation is the way by which activities can be carried on in conformance of planning Chin et al [12]. It is seen that those companies which are more concerned about effective TQM implementation it in their organization in accordance to financial constraints, usually takes more pie of market share than other companies. The excellence in the form of quality of products or services can help the organizations for achieving more market
TQM is a mitigated philosophy as it is not based on well set guided principles Hackman et al [32]. Human beings are increasingly dominant part of successful TQM implementation Brah [11]. Employee participation is very important constituent of TQM implementation. The more interaction, support, help mutual assistance and appreciation on achievement from organization will lead to better TQM implementation Mann et al [49]. The firms that take interest in consistent growth, customer friendly behaviour, enhancing employee’s morale, perform better than those which don’t do so Zhou [78]. Leaders are normally attributed with 7 attributes: drive, motivation, honesty & integrity, confident personality, analytical & cognitive thinking ability, businesses know how and charismatic personality Deming [19]. A leader is always associated with a clear vision and plan. For TQM implementation, there is always a need of leader because leader can create a vision and with that vision statement he can generate his influence on the entire organization and employees Kotter, J.P. [39]. There is a need of employee participation to have an effective change in their behaviour. This employee involvement tends to increase their quality perspectives Juran and Gryna [36].

TQM is Japanese technique for increasing Organizational performance in industry and services sector. With the passage of more research, insight and understanding of its concepts, the researchers have divided the TQM further to Soft and Hard constituents. TQM is considered to be an effective tool for increasing performance in operations. Extensive Research proved that TQM has increased Organizational performance in industries. TQM integrates different functions of business to develop planning, productivity, customer satisfaction and distribution by continuous improvement Dessler [21]. TQM implementation practice intensity demonstrates a significant amount of variance in performance. Quality improvement has been accepted as a strategy to compete by many firms Abdullah et al [4]. It is difficult to understand and implement the concepts of TQM as there is a lot chaos and ambiguity in understanding them and this is just a philosophy without clearly defined guidelines, this is because TQM was a rather abstract philosophy and did not have clear guidelines on its implementation Sun et al [68]. TQM is abstract with so many interpretations and lack of “hard” requirements Coleman and Douglas [16]. Those organizations which execute quality focus for providing better product to the customer and on increasing the efficiency of the operations. Continuous improved processes and product gives more financial benefits through less costs and
more reliable product. The soft factors include behavioural features and the human features such as leadership and people management Rahman and Bullock [60]. Customer satisfaction generates revenues as it enables the organizations to take competitive advantage in markets Kaynak [38]. Literature has recommended that TQM has two parts: Hard part and soft part. The hard part focuses on production and work process control techniques, which make sure the proper implementation of processes i.e. process design, just in time, the ISO 9000 and other quality control tools Lindsay and Evans [46]. Soft factors are related with human and behavioural aspects of management i.e. leadership and people management Rahman [59]. Soft factors have a positive effect on quality improvement and firm performance. In literature Soft factors includes: top management leadership, employee involvement, employee empowerment, training and development of employees, teamwork and communication Eng et al [24]. Similarly, literature review has suggested that soft factors like senior management commitment, people management, customer focus and supplier management have significant effect on performance due to which Soft factors has got much importance in the quality implementation process. Some important contributors of Soft TQM are also described by Malcolm Baldrige National Quality Award, European Quality Award and the Deming Prize, these awards suggested that leadership, training, communication, teamwork and learning for quality improvement.

During the 1990s, the studies and theories of TQM got maturity and recognition. Literature review denotes the study of already gathered knowledge of a specific field. The set of quality approaches took more attention which has direct impacts on bottom line results. Gurus of quality have made supreme contribution to this field of knowledge. In 1985, Naval Air Systems Command used initially the word TQM to define the Japanese management focused style for development of quality Bemowski [8]. Great additions were made by Deming, Juran, Ishikawa, Crosby and many others. It has been found after huge and deep research that TQM is not a clear approach, it is actually a mixed stream of knowledge but there are companies which have actually got huge success by following the TQM approaches for example Harley Davidson, Toyota, Sony etc. Total Quality Management is treated to be a composite of many quality activities Mann and Keheo [48]. TQM is a long journey without a destination Zairi et al [76] as the route to excellence and development is ongoing and never ends. The whole of the published material on TQM refers that management commitment is most important tool for getting better performance and requires
performance sustainability as an important objective of the business (Zairi, Letza and Oakland 1994). The TQM can give better outcome if it is treated with respect of business purpose, clearly defined and understood vision/mission, communication,

Some authors think TQM is a methodology its sole purpose is to get better organizational efficiency, with solid theoretical basics which, at the same time, provides us with a plan to improve business performance; taking into thought the method companies and their staff functions. TQM has turn into a global process because it affects Japanese companies, US, European and Asia-Pacific companies equally. It has been described as a suitable way to get better the competitiveness of companies in developing countries. Likewise, its values and fundamentals have been followed by all sectors in economy, from the industry (Evans and Lindsay 1995), where it emerged, to the services (Silvestro, 1998), the public sector (Loomba and the education. Due to the importance of the material and human activities that the organizations should do for the execution of TQM, researchers are worried with its connection with the development of organizational performance. Many studies are putting efforts to decide the amount of pressure of the diverse doctrine and fundamentals which effect organizational performance. This comparative significance effective deployment of goals, training through education and motivation, focus on customer requirements, understanding of current business environment, relevant skilful team and effective measurement system.

is due to the prevailing disagreement about the actual ability of TQM to impact performance. Therefore, after a first phase where TQM was envisaged as the answer to companies problems for less competitiveness. TQM is a management trend, whose impacts on organizational performance were clear only in short span.

Organizational Performance

Organizational performance is concerned with operational, quality and business performance in banking sector. Organizational performance is treated as a dependent variable where as Soft TQM is an independent variable and Hard TQM is moderating variable. The main factors for measuring Organizational Performance are Customer satisfaction, employee morale, productivity, Defects, cost of quality and delivery on time Samson and Terziovski [63].

In this study, researcher is going to use a model developed by Samson and Terziovski (1999), it includes six quality factors and which are regressed to organizational performance and it includes customer

( DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
satisfaction, employee morale & productivity, quality of output and delivery performance. They found significant positive relationships between organizational performance and several soft factors such as leadership, people management, and customer focus. After analysing 400 certified firms it was found that quality culture affects the business performance and the most contributing factor was customer focus Terziovski et al. Rahman and Bullock found four elements of Soft TQM in manufacturing organizations using regression analysis and found that people management, supplier relations, customer focus and shared vision affect firm performance and some hard elements also have significant effect on performance. The current paper focuses on the major contributions made in the area of TQM to the study of its connection with organizational performance. So, in this research, we suggest a model that contains the contributors facilitating the success of the implementation of quality system in private banking sector of Pakistan.

Hard elements also get support from soft elements like management-commitment; people management, customer focus and supplier management to increase performance, due to these fact Soft elements retain top priority in the quality implementation process. In past literature review has found these contributors of Soft Element i.e. management commitment, customer focus, supplier relationship and people management dimensions (employee involvement, training & education, and reward & recognition). Quality is applicable in all firm at all firm levels with costs reduction and improved levels of differentiation. Through this conception it was checked that quality practices are directly proportional to performance. Many empirical studies on TQM (Total Quality Management) have proved relationship between quality improvement practices and improved performance on the basis of factual data Prajogo and Sohal [57].

Leadership

A leader should have ability to apply leadership style that might be constructive to the implementation of TQM, with the end goal of picking up the profits of TQM. TQM relies on upon both the leaders and subordinates to work. Leadership is a relationship through which one individual impacts the behaviour or activities of other individuals Mullins [50]. Mullins further portrays leadership as a dynamic procedure, recommending that it could be adjusted to suit specific management reasoning. Numerous leadership styles have been proposed in the literary works. The most prominent ones are dichotomized, for example the democratic and autocratic Lippitt [47], attention and launching.
structure Fleishman and Hunt [27], employee centred and production centred Likert [45]. Early theorist did not consider that leader could show more than one leadership style in changing degrees. Lately, it had been understood that one leader could display diverse leadership styles in shifting extents henceforth the performance maintenance (PM) leadership style was presented by Misumi in 1995. Misumi reported that performance maintenance leadership style is discovered to be reliably better than other leadership sorts as a result of the way that a leader shows the two styles yet at changing degrees. The way the leader interacts with the subordinates, impacts the enthusiasm of subordinates to become adaptive to change. The part of a leader in the fulfilment of workers' goals has been exemplified in the path goal theory. The saying path connotes that the leader indicates the light and leads the way towards goal achievement. House and Dessler in 1974 consequently recognized four leadership conducts connected with this model: directive leadership, achievement-oriented leadership, supportive leadership, and participative leadership. The first two conducts are comparative with Misumi's execution leadership styles, while the last two are synonymous with the support style. For a representative to acknowledge and practice TQM, the leader must recognize the path through which the subordinate's goal and that of the association will be accomplished. An ID of the essential leadership conduct towards the fulfilment of this is the thing that the present study is intended to accomplish Ehigie and Akpan [22]. Companies can take benefits of TQM in real sense if it put real attention to Leadership and process management. Leadership may contain missionary and visionary concept through a quality policy formulation which has a defined goal with direction.

The Thailand Quality Award (TQA) criteria are same to the Malcolm Baldrige National Quality Award (MBNQA) in the USA. Both awards believe that leadership is the fundamental driver of quality framework execution and a key prerequisite to adequately achieve quality management (QM) Laohavichien et al [41]. In large companies normally senior management is considered too busy to focus on Leadership importance due to which financial and productivity levels are not met and companies do not meet strategic goals. Leadership is an important part of TQM implementation because it gives the source of proper orientation, implementation and origin of whole quality activities Prajo [57]; Sit, 2009 [65]. Practices constructive in one industry may or may not be effective in another due to this fact multiple scopes should be focused when evaluating QM Prasad and Tata [58].

(DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
A concept, known as Top Management Leadership is also very essential for developmental achievements because personal involvement of plant manager for quality improvement somehow encourages the employees for adoption and learning of better ways to produce much better products Abdallah [1]. (Tsang and Chan [71] concluded that management leadership, education & training, employee participation, and communication are essential for Total Productive Maintenance (TPM) implementation. Leadership influences the unwilling dimensions of employees’ mind to work with willingness for the organization, it influences their inner intent to work for a cause with out disrupting their minds for thier self. It magnifies the real dream towards success and then collects the workforce to make that dream acheiveable with the source of self participation and example setting from own devotion. Leadership is an umbrella under which organization grows and flourishes. Leadership directly influences the quality goals, if the senior management equally shifts towards the leadership thinking then the quality goals becom realistic.

**People Management**

The point when we speak about people management, we mean a method to improve employees in an organization. In request to play a vital part in organizations, the HR strategies that make up people management may as well reflect, increase and help the organization business points and objectives. A solid linkage will be required between the organizational vision and thinking of senior executives and the points, destinations and underlying rationality of the organization's approach to manage employees. This linkage will guarantee that HR intervention can get to be a maker and not an inhibitor, of supported aggressive advantage Gratton and Truss [31].

The soft part also known as Management System is the behavioural factor of human resource management and focuses on leadership and people management. These two dimensions reflect all the issues which a manager must bear in mind for the successful implementation of quality management. Organisations are facing continuously changing environment and to get better success in this race, organizations are becoming flexible and adoptable. The organizations are trying to take control on these issues through Human Resource Management. Many organizations are saying Human assets are their most valuable assets and newest method is 'Making people deserve what they desire Abdullah and Tarí [2].
Hard Factors and Firm Performance

The “hard” part is concerned with quality development tools, systems, procedures, specifications, measurements and techniques which are normally flow charts, control charts representation, scatter diagram, run charts, Pareto diagrams, brainstorming, stratification, tree diagrams, histograms, force-field analysis and relation diagrams, Design of Experiment (DOE), Quality Function Deployment (QFD) and Pareto Analysis Christos and Evangelos [14] Vouzas and Psychogios [72]. Hard TQM is concerned with set of methods for implementation of Soft Factors Black and Porter [10]. It is quantifiable with precise input for desired and defined results Winston [75]. Some researchers argue that Hard aspect of TQM is more important as they can be easily quantified. According to findings of Wilkinson et al [74] Hard TQM is production process controlling tools and techniques which includes Just in Time (JIT), ISO 9000 series and 7 quality control tools. The clear documented and written methods for getting best results are part of hard aspects. The hard aspects are concerned with technical field whereas conceptual field is concerned with soft aspects Vouzas and Psychogios [72]. The statistical application comes from Hard side whereas qualitative application of TQM comes from soft side, it means that Hard side is actually implemented using conceptual models of Soft TQM Vouzas and Psychogios [73]. Researchers have tried to focus on TQM through Soft and Hard factors of TQM but they have tried very less to distinguish between Soft and Hard factors. Soft factors are also called as Management System where Hard factors are called as Technical System Evans and Lindsay [25].

Customer Focus

Customer focus is directly proportional to future business opportunities, sales generation, and business expansion. It reflects association of company to its final product buyers and in this way company can also take feedback about its performance, customer’s tastes, economic ventures, new methodologies, tackling customer’s problems and future growth plans. Through customer productive information is generated for firms, shareholders, competitors, investors, government regulators, and buyers Fornell [28]. Customer focused firms can take a better control on market share. Harvard Business Review has also discussed that it is better to go into deep roots of one business than to expand in many businesses and it is only possible through customer focus in specific business.

Customers are of two types:

1. Internal Customers
2. External Customers
Internal customers are employees to the organization where as external customers are those people to whom organization serves and they are from outside of the organization. Customer-focus helps organization to check out new customer desires and takes step to meet these desires for which organizations develop new products, makes changes to current products or launches the same products in a different way with more quality and specification boosting but the main constituent to attract the customers in most cases is TQM Honarpour et al [34]. Customer satisfaction expresses that there is decline in complaints of the customers, more loyal feelings and higher customer retention but it is only possible if organization has direct focus on customers’ desires and requirements.

The concept “TQM is directly proportional to innovation and customer focus” can be concluded in three ways according to Perdermo-Ortiz et al [54]:

1. Market direction and customer focus related activities: It focuses on information of customers needs which help to generate innovative thinking Fuentes et al [29] Hoang et al [33].
2. Through customer focus and TQM organization can achieve continuous improvement by effective changes in processes Prajogo and Sohal [57] Satish and Srinivasan [64].
3. Decentralization of Command, cooperation and managing people can be used in information and knowledge sharing which is further very helpful for innovation and meeting customer demands Fuentes et al [29]. Hard TQM contributors are given as:

**Planning**

Important contributors of TQM like leadership, strategic planning, info & analysis and people management are directly proportional to quality of service Sit et al [65]. It is observed that low level of harmony, decentralization of command, planning, communication and administration cause uncertainty and multi-direction problems Talib [69]. It is recommended in a study that important TQM practices include leadership, strategic planning with respect to customer, info & analysis, people & process management as a dominant part for better results for product innovation Lee et al [43]. According to Raja et al [61] impact of strategic planning and process management is not significant on customer’s satisfaction but it is still very important for the proper road mapping of company for achievement of future goals. Gadenne and Sharma [30] has also proposed that strategic planning is an essential part of quality related activities. Kumar et al [40] proposed that for quality and performance related activities, planning is very crucial. Planning, senior
management companionship, best information sources and their usage, trained employees involvement, output and system design, best quality products availability, benchmarking and quality aims are those resources which an organization needs for achievement of quality goals Conca et al [17].

Process Management

Business procedures are acknowledged priceless organizational stakes and the developing business process upheaval offers organizations a chance to improve in the way they work together Smith and Fingar [66]. Therefore, partnerships are defined with the tests of continually expanding the gainfulness and proficiency of their business forms. A business methodology is characterized as "the particular requesting of work exercises crosswise over time and place, with a starting, an end, and unmistakably distinguished include and yield".

Many organizations are busy in finding methods by which efficiency, product superiority, and operations can be enhanced. A quite new field for that development is possible through process management (PM) some call it as Business Process Management (BPM) Elzinga et al [23]. Companies promote specific development approach to the level that it gets shape of the strategy of choice, leave all others strategic approaches. A diversity of strategies, methodologies and tools are on hand for enhancing quality of outputs, systems and processes.

Undertaking postpones because of holding up for available resources. Such an approach may as well be more precise than existing instruments in foreseeing future venture fulfilment time and more adequate in distinguishing chances for enhancing improvement process duration. A first form of exploration addresses data and assignment streams yet centres on the general stream of assignments in single ventures rather than on issues of queues inside single or multi-venture situations. For case, Cooper 1983 integrates the results of numerous field studies of item improvement, discovering a few key stages of new item advancement whose viable execution will be basic to venture triumph. He proposes a "stream" approach, in which administration acknowledges these stages in a precise route to guarantee that nothing is neglected. Imai, Nonaka and Takeuchi 1985 study five instances of later item improvements in Japanese and American organizations. They distinguish six basic elements that support effective and imaginative improvement: "top administration as impetus, self-sorting out task groups, covering advancement stages,
multi-taking in, unpretentious control, and the association exchange of taking in."
But here, too, the unit of examination is the singular venture Paul et al [53].

Process management defenders have pushed process change as generally helpful for associations, impelling persistent improvement that results in productivity upgrades, cost decreases, enhanced client fulfilment and eventually, higher benefits Benner and Tushman [9].

**Information and Analysis**

In current world, the information is wealth because it can help to win the future opportunities. Those organizations which have better access to information related resources have better tendency to lead the world with more useful products and processes Anderson and Sohal [5]. Information and analysis is essential for TQM implementation and analyzing process Dean and Bowen [18] Choi and Eboch [13] Sun [67] Kannan et al [37] Najmi and Kehoe [51]. Information and analysis is a source of growth of the organization on the basis of TQM under statistical techniques. It provides convenience to the information gathering which is produced from TQM processes. It is productive for the organization and all the stakeholders take benefit from its implementation Lee et al [43]. Furthermore in the organization, effective decisions can be made on the basis of data and information Lewis et al [44]. Information system allows direct connection and collaboration between the planning and operational levels of the organization hence removing middle management Jabnoun and Sahraoui [35]. Information yields better growth and timely appropriate actions. TQM is not beneficial only if it is not supported with timely information and analysis techniques.

The drawn hypothesis with research model is given below to track the overall research process.

H1: Soft TQM-Leadership has direct relationship with Organizational Performance.

H2: Soft TQM-People Management has direct relationship with Organizational Performance.

H3: Soft TQM-Customer Focus has direct relationship with Organizational Performance.

H4: Hard TQM-Planning has direct relationship with Organizational Performance.

H5: Hard TQM-Process Management has direct relationship with Organizational Performance.
H6: Hard TQM-Information & Analysis has direct relationship with Organizational Performance.

H7: Soft TQM have direct impact on Organizational Performance.

H8: Hard TQM directly impacts on Organizational Performance.

H9: Soft TQM relationship with performance is less than Hard TQM relationship with performance.

H10: Hard TQM moderates the relationship between Soft TQM and Organisational Performance.

**Research Methodology**

This study is done for “Moderating effect of Hard TQM on the relationship of Soft TQM and Performance”. The researcher has used quantitative research methodology for computation of soft aspects and hard aspects. The performance is also computed through 7 dimensions. It is an exploratory research done through primary sources.

Researcher has done surveys in private banking sector of Pakistan where the questionnaire are rated from senior officials and employees of the bank regarding Soft and Hard TQM factors and their impact on the organizational performance. The researcher has used SPSS 21 for questions data analysis of the responses taken from the respondents on 5 point Likert’s scale which starts from 1= SD Strongly Disagree to 5=SA Strongly Agree. The researcher has
chosen quantitative method for conducting research because Soft and Hard TQM aspects can be calculated through quantitative research. The Soft TQM is computed through 3 constructs which are Leadership, People Management and Customer Focus. The Hard TQM is computed through Planning, Process management and Information & Analysis. Planning, Process Management and Information & analysis are compute through their dimensions. The organizational performance is computed through its questions. Then researcher has tried to calculate the moderating effect of Hard TQM on the relationship of Soft TQM and Performance. The moderation is calculated through Baron and Kenny 1986.

In this study the researcher has used convenient data sampling technique. The data is taken from different private bank employees though self administered questionnaires. The reason behind the convenient sampling is that it is locally available, less costly and less time taking, furthermore this research is unfunded. The responses were taken from 263 respondents out of which 243 questions are received with response rate of 92.39%. 213 questionnaires are chosen for data analysis which contains 17% females and 83% males.

The employees are from ABL 42 respondents, UBL respondents 42, MCB respondents 42, HBL respondents 42 and MBL respondents 45. Moreover, these questionnaires were given to employees and senior executives in their organizational settings on which they have rated their responses. The sample size is taken close to those researches which were taken before using same instrument which researcher has taken in his research. The missing values were replaced with the central value so it can’t effect on the results of the data.

 Reliability

The SPSS21 output gives different sets of information about scale. The following things must be entered correctly while checking reliability of the data.

The number of dimension entered should be correct. In this study there are 45 dimensions. The reliability statistics is calculated through Cronobach’s alpha which is considered to be a best tool for reliability calculation Pallant et al [52].

Reliability is an important figure given by Cronobach’s Alpha value which is 0.918 in our case and above than 0.7, so the scale is reliable with study data sample.

 Reliability Statistics

Reliability Statistics
The reliability of an instrument is of major importance. If the instrument is not reliable then the data collected from the instrument is of no use because it results are not trustworthy and relevant. In SPSS 21 results there is a statistics through which the reliability of the instrument can be calculated. Researcher has calculated reliability of each construct.

**Leadership**

The value of Cronbach’s alpha for six items of Leadership is 0.670 which is close to 0.70 and hence it is treated reliable.

**People Management**

The value of cronbach’s alpha for people management is quite good and very close to 0.70 which indicates that reliability of these items is statistically good and there is also internal consistency of the measure because all the six dimensions are consistent for measuring reliability.

**Planning**

The reliability of the planning is very good as it supersedes the threshold value of 0.70 which ensures that items are reliable and consistently measuring the planning. The internal consistency of measure is quite good and relevant items are truly determining their concerned construct.

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<tr>
<th>Cronbach's Alpha</th>
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<td>Cronbach's Alpha</td>
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<td>.698</td>
<td>7</td>
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1.1.1. **Customer Focus**

The reliability of items of customer focus is also good which help researcher for further data analysis of the data. The reliability statistics value is above 0.70 which is quite excellent for further data analysis Pallant et al [52].

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<th>Planning</th>
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**Process Management**

The reliability for Process Management is quite near to 0.70 which ensures that data analysis is not facing the problem of less reliability or multi-collinearity. The multi-collinearity indicates that two variables are enough close to each other that there is no difference in between them or both are same. It happens, when the value of the cronobach’s alpha is above 0.90 Pallant et al [52].

**Reliability Statistics**

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**Organizational Performance**

The results of the Organizational Performance are also reliable with value greater than 0.70.

**Reliability Statistics**

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<th>Cronbach's Alpha</th>
<th>N of Items</th>
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<td>.767</td>
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**Information & Analysis**

The reliability statistics for information and analysis is calculated through SPSS 21. First of all the Information and analysis is computed through 8 items and then reliability statistics is computed which showed reliability value equal to 0.767 which is highly reliable and further data analysis can be done Pallant et al [52].

**Reliability Statistics**

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<th>Cronbach's Alpha</th>
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**Correlation**

Correlation analysis is used to explain strength and direction of the linear relationship between two variables. Pearson correlation coefficients (r) values are found between -1 to +1. The positive sign of correlation depicts positive relationship between the variables and vice versa. Positive sign shows if there is increase in one variable then there is increase in other variable which constitutes the situation of directly proportionality. The degree of relationship is also shown by the magnitude of the relationship among the variables. Authors advise diverse interpretations for this degree of relationship between the

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variables (Cohen 1988) suggests the following guidelines:

Weak relationship $r=.10$ to $.29$

Moderate Relationship $r=.30$ to $.49$

Strong Relationship $r=.50$ to $1.0$

The negative sign denotes the direction of the relationship, not the magnitude. The strength of correlation of $r=.5$ and $r=-.5$ is equal just the direction of their relationship has been reversed. It is in a different direction. The further important thing to focus is the significance level Sig. 1tailed or Sig.2 tailed. Level of statistical significance doesn’t show how strongly two variables are related (this is specified by r-value or rho-value; however it points to show how much belief one should have in the results achieved. The significance of r or rho is powerfully affected by sample size.

### Correlations

<table>
<thead>
<tr>
<th></th>
<th>Leadership</th>
<th>People_Management</th>
<th>Customer_Focus</th>
<th>Soft_TQM</th>
<th>Planning</th>
<th>Process_Management</th>
<th>Information_Analysis</th>
<th>Organ_Performance</th>
<th>Hard_TQM</th>
<th>Hard_Soft_TQM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People_Management</td>
<td>.340**</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer_Focus</td>
<td>.407**</td>
<td>.546**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soft_TQM</td>
<td>.474**</td>
<td>.653**</td>
<td>.500**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>.319**</td>
<td>.253**</td>
<td>.339**</td>
<td>.462*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process_Management</td>
<td>.269**</td>
<td>.163*</td>
<td>.252**</td>
<td>.338*</td>
<td>.555**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information_Analysis</td>
<td>.353**</td>
<td>.153*</td>
<td>.276**</td>
<td>.397*</td>
<td>.507**</td>
<td>.475**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organ_Performance</td>
<td>.387**</td>
<td>.295**</td>
<td>.319**</td>
<td>.498*</td>
<td>.564**</td>
<td>.518**</td>
<td>.511**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard_TQM</td>
<td>.410**</td>
<td>.335**</td>
<td>.348**</td>
<td>.526*</td>
<td>.604**</td>
<td>.575**</td>
<td>.560**</td>
<td>.596**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
H1: Soft TQM-Leadership has direct relationship with Organizational Performance.

There is direct relationship between soft TQM and Organizational Performance because the correlation value is 0.498. The magnitude of relationship is moderate but it is directly proportional with a significance level of 0.01.

H2: Soft TQM-People Management has direct relationship with Organizational Performance.

There is direct relationship between organizational performance and People Management but the degree of relationship is low at significance level of 0.01.

H3: Soft TQM-Customer Focus has direct relationship with Organizational Performance.

Customer focus has direct relationship with organizational performance. The magnitude of correlation is moderate with 0.319 at significance level of 0.01.

H4: Hard TQM-Planning has direct relationship with Organizational Performance.

At level of significance of 0.01 the magnitude of relationship between Organizational Performance and Hard TQM-Planning is 0.564 which is a strong and directly proportional.

H5: Hard TQM-Process Management has direct relationship with Organizational Performance.

At level of significance of 0.01 the magnitude of relationship between Organizational Performance and Hard TQM-Process Management is 0.518 which is a strong and directly proportional.

H6: Hard TQM-Information & Analysis has direct relationship with Organizational Performance.

At level of significance of 0.01 the magnitude of relationship between Organizational Performance and Hard TQM-Information & Analysis is 0.511 which is a strong and directly proportional.

<table>
<thead>
<tr>
<th>Product_Hard_Soft_TQM</th>
<th>.495**</th>
<th>.571**</th>
<th>.503**</th>
<th>.868*</th>
<th>.599**</th>
<th>.495**</th>
<th>.527**</th>
<th>.581**</th>
<th>.840**</th>
</tr>
</thead>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).
Moderations Analysis

According to the Baron and Kenny 1986, the moderator is a variable which increases the relationship between two variables. A variable which gives condition in which a given predictor is connected to output is called a moderator. Moderator describes ‘when’ a Dependent Variable DV and Independent Variable IV are linked Baron and Kenny [7]. Baron and Kenny explain moderation through the picture given below.

Baron and Kenny moderation consists of three steps.

First step: Regression of Predictor (Soft TQM) to Organizational Performance.

Second Step: Regression of Moderator (Hard TQM) to Organizational Performance.

Third Step: Taking product of Moderator (Hard TQM) and Predictor (Hard TQM) and regression of this product to theOrganizational Performance.

Here the predictor (Soft TQM) is an independent variable which affects the dependent variable dependent variable (Organizational Performance). The moderator is Hard TQM due to which degree of relationship effect between Soft TQM and Organizational Performance.

Regression (Soft TQM)

The regression is run to check whether the Customer focus, Leadership and People Management really take part in computation of Soft TQM. When regression is run, then a table of Model Summary is produced in the output. In model summary table R=0.713 denotes the simple correlation between the predictors (Customer focus, Leadership and People Management) and outcome (Soft TQM). The correlation value of 0.713 represents the strong relationship. The R² value of .509 represents that predictors (Customer focus, Leadership and People

(DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
Management) account for 50.9% value of outcome (Soft TQM). It supports the hypothesis given below.

### Model Summary

<table>
<thead>
<tr>
<th>Mode</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.713$^a$</td>
<td>.509</td>
<td>.502</td>
<td>.82343</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer_Focus, Leadership, People_Management

The second table formed by SPSS21 out file is ANOVA (Analysis of Variance). The variance is square of standard deviation and standard deviation tells about the difference of each item in a data set from a specified value which is taken as a standard to see how much change is experienced between standardized values and rest of the values in the data set.

In ANOVA table shows that at $p<0.001$ the F is 72.154, which indicates that our regression model significantly predict the Soft TQM than if we use mean values of Customer Focus, Leadership and People Management. The regression model significantly predicts the overall model for Soft TQM.

It looks at whether the variance explained by the model ($SS_M$) is significantly greater than the error within the model ($SS_R$). It tells us whether using the regression model is significantly better at predicting values of the outcome than using the mean. Output represents that value of $SS_M=146.769>SS_R=14.710$ which indicates that

### ANOVA$^a$

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>146.769</td>
<td>3</td>
<td>48.923</td>
<td>72.154</td>
<td>.000$^b$</td>
</tr>
<tr>
<td>l</td>
<td>141.710</td>
<td>209</td>
<td>.678</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>288.479</td>
<td>212</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Soft_TQM

b. Predictors: (Constant), Customer_Focus, Leadership, People_Management

(DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
The next SPSS21 output indicates the parameters of the Soft TQM. The three parameters i.e. Customer Focus, Leadership and People Management etc. affect the Soft TQM considerably. If there is 1 unit change in leadership there is 0.288 times change is predicted in Soft TQM, similarly for People Management and customer focus its values are 0.474 and .111 respectively. The most effective parameter is people management in Soft TQM predictor in Banking Sector of Pakistan.

**Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.409</td>
<td>.201</td>
<td>2.036</td>
<td>.043</td>
</tr>
<tr>
<td>Leadership</td>
<td>.288</td>
<td>.061</td>
<td>.254</td>
<td>4.733</td>
</tr>
<tr>
<td>People_Management</td>
<td>.474</td>
<td>.056</td>
<td>.500</td>
<td>8.530</td>
</tr>
<tr>
<td>Customer_Focus</td>
<td>.111</td>
<td>.054</td>
<td>.123</td>
<td>2.046</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Soft_TQM

**Regression (Hard TQM)**

Hard TQM is predicted from three predictors which are Planning, Process Management and Information and Analysis. In order to find their relative effect for prediction of Hard TQM, the regression analysis is carried out. The regression is run to check whether the Planning, Process Management and Information and Analysis really take part in computation of Hard TQM.

**Model Summary**

When regression is run, then a table of Model Summary is produced in the output. In model summary table R=0.706 denotes the simple correlation between the predictors (Planning, Process Management and Information and Analysis) and outcome (Hard TQM). The correlation value of 0.706 represents the strong relationship. The R² value of 0.499 represents that predictors (Planning, Process Management and Information and Analysis) account for 49.9% value of outcome (Hard TQM).
In ANOVA table shows that at p<0.001 the F is 69.368, which indicates that our regression model significantly predict the overall model for Hard TQM.

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>118.624</td>
<td>3</td>
<td>39.541</td>
<td>69.386</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>119.104</td>
<td>209</td>
<td>.570</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>237.728</td>
<td>212</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Hard_TQM
b. Predictors:(Constant), Information_Analysis, Process_Management, Planning

The next SPSS21 output indicates the parameters of the Hard TQM. The three parameters i.e. Planning, Process Management and Information and Analysis etc. affect the Hard TQM considerably. If there is 1 unit change in leadership there is 0.288 times change is predicted in Soft TQM than if we use mean values of Planning, Process Management and Information and Analysis. The regression model significantly predicts the overall model for Hard TQM.

Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.409</td>
<td>.201</td>
<td></td>
<td>.043</td>
</tr>
<tr>
<td>Leadership</td>
<td>.288</td>
<td>.061</td>
<td>.254</td>
<td>.000</td>
</tr>
</tbody>
</table>

(DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
People_Management | .474 | .056 | .500 | 8.530 | .000
Customer_Focus | .111 | .054 | .123 | 2.046 | .042

a. Dependent Variable: Soft_TQM

Regression (Soft TQM to Organizational Performance)

**First step:** Regression of Predictor (Soft TQM) to Organizational Performance.

When regression is run, then a table of Model Summary is produced in the output. In model summary table $R=0.498$ denotes the simple correlation between the predictor (Soft TQM) and outcome (Organizational Performance). The correlation value of 0.498 represents the moderate relationship. The $R^2$ value of 0.248 represents that predictor (Soft TQM) accounts for 24.8% value of outcome (Organizational Performance).

H7: Soft TQM have direct impact on Organizational Performance.

The impact is moderate with 0.498 magnitudes and is directly proportional.

**Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.498$^a$</td>
<td>.248</td>
<td>.244</td>
<td>1.04412</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Soft_TQM

In ANOVA table shows that at $p<0.001$ the $F$ is 69.608, which indicates that our regression model significantly predict the Organizational Performance than if we use mean values of Soft TQM. The regression model significantly predicts the overall model for Organizational Performance.

**ANOVA$^a$**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>75.886</td>
<td>1</td>
<td>75.886</td>
<td>69.608</td>
<td>.000$^b$</td>
</tr>
<tr>
<td>1 Residual</td>
<td>230.030</td>
<td>211</td>
<td>1.090</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>305.915</td>
<td>212</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
a. Dependent Variable: Organ_Performance

b. Predictors: (Constant), Soft_TQM

H7: Soft TQM have direct impact on Organizational Performance.

The next SPSS21 output indicates the Soft TQM is a parameter for Organizational Performance. If there is 1 unit change in Soft TQM then there is 0.513 times change is predicted in Organizational Performance which indicates that Soft TQM directly impact the Organizational Performance. The strength of the impact is strong at 0.513 Cohen [15].

Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant) 1.587</td>
<td>.203</td>
<td>7.831</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Soft_TQM .513</td>
<td>.061</td>
<td>.498</td>
<td>8.343</td>
</tr>
</tbody>
</table>

Regression (Hard TQM to Organizational Performance)

Second Step: Regression of Moderator (Hard TQM) to Organizational Performance.

When regression is run, then a table of Model Summary is produced in the output. In model summary table R=0.596 denotes the simple correlation between the predictor (Hard TQM) and outcome (Organizational Performance). The correlation value of 0.596 represents the strong relationship. The R² value of 0.355 represents that predictor (Hard TQM) accounts for 35.5% value of outcome (Organizational Performance).

H8: Hard TQM directly impacts on Organizational Performance.

The relationship is moderate and directly proportional between Hard TQM and Organizational Performance.
a. Predictors: (Constant), Hard_TQM

In ANOVA table shows that at p<0.001 the F is 116.349, which indicates that our regression model significantly predict the Organizational Performance than if we use mean values of Hard TQM. The regression model significantly predicts the overall model for Organizational Performance.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>108.655</td>
<td>1</td>
<td>108.655</td>
<td>116.223</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>197.260</td>
<td>211</td>
<td>.935</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>305.915</td>
<td>212</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organ_Performance
b. Predictors: (Constant), Hard_TQM

The next SPSS21 output indicates the Hard TQM is a parameter for Organizational Performance. If there is 1 unit change in Hard TQM then there is 0.676 times change is predicted in Organizational Performance.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Constant)</td>
<td>.985</td>
<td>.213</td>
<td>4.623</td>
</tr>
<tr>
<td>1</td>
<td>Hard_TQM</td>
<td>.676</td>
<td>.063</td>
<td>10.781</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organ_Performance

After product of Soft TQM and Hard TQM, researcher got Product_Hard_Soft_TQM and then taking its regression to Organizational Performance. The value of correlation, R=0.402 increases to R=0.421 which fulfils the requirements of Moderation (Baron and Kenny 1986).

H9: Soft TQM relationship with Organizational performance is less than Hard TQM relationship with Organizational performance.

H10: Hard TQM moderates the relationship between Soft TQM and Organisational Performance.
Hard TQM has slightly increased the relationship and due to the presence of the Hard TQM the relationship has risen to 0.421 from 0.402.

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.634a</td>
<td>.402</td>
<td>.396</td>
<td>.93320</td>
<td>.402</td>
<td>70.638</td>
<td>2</td>
<td>210</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>2</td>
<td>.649b</td>
<td>.421</td>
<td>.412</td>
<td>.92093</td>
<td>.018</td>
<td>6.636</td>
<td>1</td>
<td>209</td>
<td></td>
<td>.011</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Hard_TQM, Soft_TQM
b. Predictors: (Constant), Hard_TQM, Soft_TQM, Product_Hard_Soft_TQM

In ANOVA table shows that at p<0.001 the value of F-Test for Hard TQM is 70.638 and value of Soft TQM is 50.568, which indicates that our regression model significantly predict the Organizational Performance than if we use mean values of Hard TQM and Soft TQM.

ANOVAa

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>123.033</td>
<td>2</td>
<td>61.517</td>
<td>70.638</td>
<td>.000b</td>
</tr>
<tr>
<td>1 Residual</td>
<td>182.882</td>
<td>210</td>
<td>.871</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>305.915</td>
<td>212</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regression</td>
<td>128.661</td>
<td>3</td>
<td>42.887</td>
<td>50.568</td>
<td>.000c</td>
</tr>
<tr>
<td>2 Residual</td>
<td>177.254</td>
<td>209</td>
<td>.848</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>305.915</td>
<td>212</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organ_Performance
b. Predictors: (Constant), Hard_TQM, Soft_TQM

(DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
c. Predictors: (Constant), Hard_TQM, Soft_TQM, Product_Hard_Soft_TQM

The first part of final table shows prediction of Organizational Performance from the Soft TQM, and Hard TQM. The regression result indicates that Soft TQM predicts the Organizational Performance by 0.263. The Hard TQM predicts Organizational Performance by 0.524. Both of the values indicate that if there is one unit change in Soft TQM and Hard TQM then there is 0.263 and 0.524 change in Organizational Performance respectively.
The second part of final table shows prediction of Organizational Performance from the Soft TQM, Hard TQM and Product_Soft TQM_Hard TQM. The regression result indicates that Soft TQM predicts the Organizational Performance by 0.656. The Hard TQM predicts Organizational Performance by 0.913 and Product_Soft TQM_Hard TQM predicts the Organizational Performance by -0.130. The values indicate that if there is one unit change in Soft TQM, Hard TQM and Product_Soft TQM_Hard TQM then there is 0.656, 0.913 and -0.130 change in Organizational Performance respectively.

### Excluded Variables

<table>
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<tr>
<th>Model</th>
<th>Beta In</th>
<th>T</th>
<th>Sig.</th>
<th>Partial Correlation</th>
<th>Collinearity Statistics</th>
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(DOI: dx.doi.org/14.9831/1444-8939.2014/2-5/MAGNT.23)
Findings

Private Banking sector in Pakistan gives much importance to Quality aspects for boosting their business and reducing the cost of poor quality. There is strong relationship between Soft TQM and Organizational Performance. There is direct relationship between soft TQM and Organizational Performance because the correlation value is 0.498. The magnitude of relationship is moderate but it is directly proportional with a significance level of 0.01. There is direct relationship between organizational performance and People Management but the degree of relationship is low at significance level of 0.01. Customer focus has direct relationship with organizational performance. The magnitude of correlation is moderate with 0.319 at significance level of 0.01. At level of significance of 0.01 the magnitude of relationship between Organizational Performance and Hard TQM-Planning is 0.564 which is a strong and directly proportional. At level of significance of 0.01 the magnitude of relationship between Organizational Performance and Hard TQM-Process Management is 0.518 which is a strong and directly proportional. At level of significance of 0.01 the magnitude of relationship between Organizational Performance and Hard TQM-Information & Analysis is 0.511 which is a strong and directly proportional. The impact is moderate with 0.498 magnitudes and is directly proportional. The relationship is moderate and directly proportional between Hard TQM and Organizational Performance. After product of Soft TQM and Hard TQM, researcher got Product_Hard_Soft_TQM and then taking its regression to Organizational Performance. The value of correlation, R=0.402 increases to R=0.421 which fulfils the requirements of Moderation. Hard TQM has slightly increased the relationship and due to the presence of the Hard TQM the relationship has risen to 0.421 from 0.402.

Conclusion

Total Quality Management is a technique which inculcates the technological and quality aspects in the business. In private banking sector of Pakistan quality improvement is important source of
continuous improvement. Soft Factors like Leadership, people management and customer focus provide the basic platform for soft aspects of quality. These factors increase conceptual sensibility of employees regarding the need of quality as a source of increase in Organizational Performance. Similarly, Hard Factors like Information Analysis, Process Management and Planning are helpful in computation of Hard TQM. These aspects directly take part in the quality implementation process. These are factors which effect the quality related operations and processes in banking sector. Hard TQM is found as a moderator in Soft TQM and Organizational Performance relationship. Hard TQM increases the relationship between the Soft TQM and Organizational Performance because it acts as a catalyst in the Pakistani Banking Sector. As per this research, Organizational Performance is increased with respect to internal customer satisfaction, employee morale, productivity, low defect complains, higher clients trust, low cost of quality and better time of reduction of operations. The degree of improvement is better if the Hard TQM is applied to control the effects of Soft TQM for better performance delivery. So, Hard TQM factors of vital importance of growth than Soft TQM because it gives output of quality in real means.

**Recommendations**

TQM is a methodology for getting excellence in production and services sector. There is still huge gap in literature regarding TQM work in services sector. The researchers should put effort to explore more dimension of the quality for services sector. The research should be empirically done to develop a new model and to develop a series of steps for TQM implementation in Banking Sector of Pakistan.

**Bibliography**


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