4thICITB

THE OBSTACLES ANALYSIS IN THE IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT ON THE MSMES PERFORMANCE IN INDONESIA

Anggawidia Wibaselppa[1], RZ Abdul Aziz[2], Delli Maria[3]

[123]Institute Informatics and Business Darmajaya
[1]anggawidia@darmajaya.ac.id,[2]rzaziz@darmajaya.ac.id,[3]delli.maria@darmajaya.ac.id

ABSTRACT

The MSME must always improve the quality of their products and services in the global competition era. The achieving a performance in an organization can be seen from the organization objectives. It can be measured by quantitative or qualitative method. Total Quality Management (TQM) is a very competitive tool in improving the quality of products or services from MSMEs. This research was conducted by taking research places in MSMEs in Indonesia, especially in Lampung and Surabaya Provinces. The purpose of this study was to find out and analyze the influence of the constraints that MSMEs faced on performance. This type of research was quantitative. The populations in this study were all MSMEs in Lampung and Surabaya Provinces. The sampling technique was probability sampling. Research data was collected using documentation, questionnaires and literature study. Data analysis techniques were factor analysis and multiple linear regression with the help of SPSS data processing. The results of the study showed the resistance variables formed from latent attributes. They are two factor variables. Obstacle factor variables had proven that they have a positive and significant relationship to financial and non-financial performance, but in the partial test, it proved that only two factors had a significant positive relationship to performance with a 95% confidence level.

Keyword: Obstacles, Organizational Performance, Total Quality Management, Micro Small and Medium Enterprises (MSMEs)

INTRODUCTION

Competition is a word that is very concerned in the current era of economic globalization. Many large Micro, Small and Medium Enterprises (MSMEs) strive not only to meet customer satisfaction but also Micro, Small and Medium Enterprises (MSMEs) do various businesses to achieve cost savings, continuous quality product innovation, and even try to become MSMEs. world class. Micro, Small and Medium Enterprises (MSMEs) in Indonesia, amounting to approximately 57 million MSMEs throughout Indonesia are one of the priorities in the development and driving force of the national economy, in addition to MSMEs being the backbone of a populist economic system that is not only aimed at reducing the gap between income groups and employment (tempo.co).

Based on data from the Indonesian Chamber of Commerce and Industry (Kadin), the contribution to the MSMEs sector to gross domestic product (GDP) increased 57.84% to 60.34% in the last five years (tempo.co) with 97 national workers absorbed. % of 96% in the same year period (BPS, 2014). From these data it can be concluded that Micro, Small and Medium Enterprises (MSMEs) have had a direct impact on the development of economic development in developed and developing countries including Indonesia.

But there are still many Micro, Small and Medium Enterprises (MSMEs) that still fail to implement quality quality management systems (TQM) in some parts of their corporate programs, this is also due to a lack of understanding of quality quality management (TQM) that they do not know and understand. Often, MSMEs overstep the rules that are in the application of the TQM system so that certain groupings occur. The MSMEs included in the grouping do not fully apply what is needed for the activities to be carried out and the implementation tools in integrated mode. Constraints in implementing quality quality management (TQM) do not recognize boundaries, they can arise in all sectors, both in the manufacturing, service / service, government and even education sectors.

Therefore, it is important for all organizations / companies and even MSMEs to understand and avoid these obstacles both before implementing TQM and during the implementation of TQM. A review of extensive literature researchers have found that there are 30 barriers to TQM that are commonly faced by MSME business people, both all types of organizations and in all levels of management.

LITERATURE REVIEW

Micro, Small and Medium Enterprises (MSMEs), which are the business sectors that drive the economy, including in Indonesia, because one of its capabilities in absorbing labor is one of the business actors who also feel the impact of the current economic globalization (tempo.co). Multinational companies which certainly have many advantages both in terms of technology, management, networks and so on, this is a strong threat for MSME players, especially those in Indonesia. Therefore, MSMEs must make changes both in terms of innovation in the quality of products or services even from each of their activities by implementing TQM / Quality Management if they are going concern. But there are still many MSMEs that experience problems or obstacles when applying the quality quality process to their organizations. In fact, this does not only happen to MSMEs, but also to other large companies, of course, who have implemented TQM in their activities.

The results of Faizal's (2017) study explain that implementing the practice of TQM systems has a large influence on performance so as to produce good performance such as quality performance, business performance and organizational performance. So this proves that TQM is a very competitive tool in improving the quality of products or services in both MSMEs and companies. Therefore, researchers will conduct an analysis of MSMEs that have implemented TQM in their work processes to find out the obstacles faced by MSME business people and their effects on financial and non-financial performance.

RESEARCH METHOD

In quantitative research, data analysis is an activity after data from all respondents or other data sources are collected. Sugiyono (2014: 238), activities in data analysis are grouping data based on the variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable under study, calculating to answer the problem formulation and calculating to test the proposed hypothesis . In this study, to analyze the data will be used factor analysis method and regression test analysis.

Factor Analyis

In this study, to analyze the data to be used in the factor analysis method. In factor analysis, the Principal Component Analysis (PCA) technique is used. The main principle in factor analysis is correlation, meaning that variables that have a close correlation will form a factor, while the variables that exist in a factor will have a weak correlation with variables contained in other

factors.

Multiple Regression Test Analysis

In this study, to do data analysis, regression analysis methods will be used. According to Dermawan Wibisono (2013: 199), this measurement method was first pioneered by Sir Francis Galton in the late 19th century when Sir Francis Galton conducted a study of the relationship between father and child height. Galton named this method regression according to its definition, which is returning or moving towards the back. The basic concept of Galton is that all phenomena are related to the initial conditions. There are two kinds of variables used in regression analysis, namely, independent variables and dependent variables. By using regression analysis, we will measure changes in the dependent variable based on changes in independent variables (Dermawan Wibisono, 2013: 199).

According to Wibisono (2013: 200), regression analysis can be used to predict changes in relations that will occur based on existing relationships in the previous time period. Wibisono also explained that the difference between regression analysis and correlation analysis lies in the measurements to be made. Correlation analysis measures the magnitude of the relationship between two variables while the regression analysis measures the relationship that occurs between variables (independent and bound variables). Therefore, in this study there are two independent variables and one dependent variable, the regression analysis is multiple regression analysis. This analysis can be used to find out how much influence between two or more independent variables (X) on the dependent variable (Y) as follows:

$$Y_{1,2} = a + b_1 X_1 + b_2 X_2 + e_t$$

Information variable :

$Y_{1,2}$: Organization Performance (Finacial Y1, Non-Financial Y2)
$X_{1,2}$: TQM Implementation Impediments Factor
a : Constants
e_t : error term
b_1, b_2 : Regression Coefficient

Hypothesis

According to Sugiyono (2014: 253), the hypothesis is interpreted as a temporary answer to the research problem formulation. The truth of the hypothesis must be proven through the collected data. The definition of the

hypothesis is for the research hypothesis. While statistically, the hypothesis is interpreted as a statement about the state of the population (parameters) that will be tested for truth based on data obtained from the research sample (statistics). So the meaning is the estimated state of the population through sample data.

F Statistics Analysis

The F test is conducted to test the significance together (simultaneous) between independent variables and dependent variables. According to D. Gujarati (1999: 120) in HM. Sonny Sumarsono (2014: 225), the F test is carried out with the following formula:

$$F = (R^2/(k-1))/((1-R^{\wedge}2)/(N-k))$$

Information variable :

R²   : Coefficient of Determination
k   : Total of Variables
N   : Total of Samples

T Statistics Analysis

The t test aims to test whether between independent variables partially influence the dependent variable. After analyzing the data and knowing the results of the calculation, the next step is to compare the value of t count with t table or it can also by looking at the significance value t whether it is smaller or greater than 0.05.

FINDINGS AND DISCUSSION

Factor Analysis Test Results

In table 1 below, the value of KMO and Barlett's test is obtained by the Kaiser-Meyer-Olkin MSA value of 0.960 with a significance level of 0.000. Because the value of MSA obtained> 0.5 and sig <0.05 the art of existing attributes can be continued in the next stage at the advanced analysis stage. In the total variance table explained explains the formation of attributes into several factors, of the 30 attributes included, it includes 2 factors which will be determined based on attributes. In other words, there are only two factors that best summarize these 30 attributes. The formation of 2 factors is based on the value of eigenvalues> 1.

Table 1. Results of Factor Analysis Data Processing

Factor Test Analysis

Kaiser-Meyer-Olkin MSA	.960
Sig.	0.000
Component	Initial Eigenvalues
1	21,511
2	1,628

Concerning table 2 in the component matrix section, it can be seen that the attributes on H1 or factor 1 have a correlation value between attributes of 0.803 which means that they have a very high relationship, while the component or factor two has a correlation value of -0.370 (negative numbers on the component are direction of relationship). Therefore there is no distinguishing correlation. Based on table 4.13 rotated component matrix shows that the results of rotation of matrix components show an increasingly clear relationship between factors. The H1 attribute on the first factor which initially has a correlation relationship of 0.803 after the rotation on the value of the greater correlation is 0.832 while the second factor initially has a correlation of -0.370 after the rotation of the correlation value also increases which is 0.301 so that the H1 attribute can enter on component one.

Table 2. Component Matrix

Component Matrix	Component 1	Component 2	RCM	Component 1	Component 2
H1	.803	-.370	H1	.832	.301
H2	.817	.102	H2	.510	.647
H3	.861	-.074	H3	.664	.553
H4	.847	-.065	H4	.648	.550
H5	.886	-.218	H5	.783	.468

To prove that 30 attributes are formed into 2 factors, it can be seen in the table below:

Tabel 3. *Component Transformation Matrix*

Component	1	2
1	.711	.703
2	-.703	.711

Based on the table above the Component Transformation Matrix shows

component 1 with component 1 having a high correlation value that is equal to 0.711, component 1 with component 2 having a high value also with a correlation value of 0.703. In component 2 with component 1 has a high correlation value that is equal to -0.703 and in component 2 with component 2 the value of correlation is equal to 0.711 with a high degree of correlation.

Multiple Linear Regression Test Results

Multiple regression analysis is a method or technique to find relationships between variables one with other variables expressed in the form of mathematical equations in functional relationships. Therefore the regression analysis used in this study is multiple linear regression analysis, so in principle the analysis wants to find a relationship between two or more variables with which one variable depends on other variables. By looking at the results of processing data with the help of the SPSS application the results are as described below:

Table 4. Results of Component 1 Regression Test with Financial OP

Model	
R	.316[a]
R Square	.100

The value of multiple R (multiple correlation coefficient) / R is 0.316, meaning that the relationship between the obstacle variables that enter in component one has a relationship of 0.316 which actually enters the interval 0.200-0.399 which can be concluded that the obstacle variable in component 1 partially has a low relationship towards performance variables on financial indicators. R-Square or determination coefficient of 0.100 which is the square of the multiple value R means financial performance is explained at 0.100 or 10% by the component 1 variable formed.

**Table 5. Results of the Regression Equation Coefficient
One component of financial performance**

	Coefficients	Standard Error	t stat	P-value
Intercept	22.572	.778	29.003	.000
H1	.251	.366	.686	.494
H3	.494	.458	1.081	.282
H4	-.266	.397	-.672	.503
H5	-.538	.472	-1.142	.256
H8	-.154	.424	-.363	.717
H12	-.777	.389	-2.000	.048
H14	.126	.493	.256	.799
H17	-.062	.413	-.151	.880
H18	.615	.391	1.572	.118
H21	.617	.517	1.193	.235
H25	-.351	.412	-.853	.395
H26	.084	.400	.210	.834
H28	-.412	.442	-.933	.353

Hypothesis Testing Results

F Test Results

The F test is used to determine whether there is a significant influence between the independent variables simultaneously on the dependent variable. In this study conducted to determine whether there is a significant influence in the F test is as follows:

Based on the results of the F test, the results obtained Fcount of 3.523 with a significance of 0.032, it can be proved that the value of sig <0.05, then together the obstacle components have a significant effect on the performance variable.

Table 6. Results of Test Data F

	F	Sig.
Regression	3.523	.032^{e}
Residual		
Total		

t Test Results

The t test in multiple regression analysis aims to determine whether the variables in components one and two partially (themselves) have a significant effect on performance based on financial and non financial performance. The basis of decision making for the partial t test in regression analysis is the significance value as follows:

Based on the results of data processing with the SPSS application, the significance of the component variables 1 is found that there is a tcount of 0.721 with sig of 0.472, which proves that the component 1 variable does not have a high significant effect on performance. In the t test in component 2 there is a value of tcount of -1.845 with sig of 0.067 this proves that the component 1 variable does not have a significant significant effect on performance.

Table 7. Results of Test Data Obtained t

		t	Sig.
Model	(Constant)	32.691	.000
	Total komponen 1	.721	.472
	Total komponen 2	-1.845	.067

After the reliability analysis, item analysis, and validity analysis have been conducted, it turns out that it is concluded that the instrument for implementing TQM is reliable and valid. Through the data obtained by this instrument can be used for further data analysis. The TQM implementation instrument has 30 attributes and is distributed as many as 200 questionnaires, the return of 158 questionnaires but after the data is processed there are 147 appropriate instruments to proceed to the next test. Measurements are made with seven Likert scales for each statement given. The instruments developed in this study are generally the highest external validity for the MSME industry in manufacturing and services. Identify based on the type of MSME industry, annual income, number of employees, quality quality certification, ownership of MSMEs, positions of respondents and so on. The statistical test of the research hypothesis has proven that the simulant test of performance has an influence with a significance value of 0.032, but in the partial test between the resistance instruments component 1 and 2 partially have no effect on performance.

CONCLUSION

Based on the results of data processing, data analysis and hypothesis testing that has been done in this study, the conclusions in this study are to support the hypothesis proposed in this study, namely as follows:

Factor analysis has formed broad variables into two components where component 1 has 13 attributes or obstacle instruments consisting of leadership constructs, product quality, customer satisfaction and technology. In component 2 there are 17 attributes, explaining the constructs of applying TQM to stategic business performance, employee satisfacation, vision and plan statements, and so on. The two components prove that the overall obstacle construct has barriers to performance, but in each component there is no relationship to performance. Performance is divided into two constructs, namely financial and non financial.

Refrences

Amar Kifayah & Mohd Zain Zuraidah. 2014. "Barriers The Implementation of Total Quality Management Indonesia Manufacturing Organization" Malaysia : Jurnal Teknik Industri Vol. 3, No. 2, Desember 72-79 University Science Malaysia.
Aziz, RZ. Abdul. 2015. Total Quality Management: Cultural, Implementation and Organizational Performance Aspects (an Empirical Investigation in Indonesia. Osaka University.

Aziz, RZ. Abdul. 2016. National Culture, Organisational Culture, Total Quality Management Implementation, And Performance: An Empirical Investigation, Jurnal Int. J. of Productivity and Quality Management, 2016 Vol.19, No.2, pp.139 – 159.

Jurnal Akuntansi Vol.4 No.2 November 2012: 175-186. Pengaruh Penerapan Total Quality Management (TQM) dan Komitmen Organisasi terhadap Kinerja Perusahaan dengan Budaya Organisasi Sebagai Variabel Moderasi (Survei pada Perusahaan Manufaktur di Jawa Barat yang Listing di BEI)

Mallur, SB Hiregouder et al. 2010. A survey of TQM Practice in North Karnataka Manufacturing SMEs : an Empirical Evaluation. Proceeedings of the World Congress on Engineering. Vol. 3.

S K Dubey, et al. 2012, "Barriers in Implementating Radical/Incremental Change in Manufacturing – Based Goverment Orfganization". India: Amity University, Australian Journal of Business and Management Research Vol. 2, No.2 48-59.

Sisnuhadi. (2014). The Relationship between Soft Factors and Hard Factors of TQM Practices and Organizational Learning. European Scientific Journal, March 2014 edition, vol. 10, Mo. 7.

Sugiyono, 2014. Metode Penelitian. Bandung : Penerbit Alfabeta.

Sumber: www.bps.go.id

Sumber :www.industri.bisnis