

IMPACT OF TOTAL QUALITY MANAGEMENT PRACTICES ON OPERATIONAL PERFORMANCE IN SMALL AND MEDIUM ENTERPRISES: (SPECIAL REFERENCE TO KANDY MUNICIPAL COUNCIL AREA)

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ABSTRACT

Small- and medium-sized enterprises (SMEs) play a significant role in economic development worldwide. This study investigated the impact of Total quality management practices on operational performance in the small and medium enterprises in the Kandy Municipal Council area. Employing a quantitative research approach, this study focuses on the impact of organizational leadership, process management, supplier quality management, customer focus, and employee involvement. The respondents were small and medium enterprises in the Kandy Municipal Council area. The sample size was 114 Small and Medium enterprises, and the population comprised 161 Small and Medium enterprises located in the Kandy Municipal Council area. SPSS software was used to analyze the data. The reliability, validity, and regular distribution of the responses were significant among the variables. Descriptive and inferential statistics were evaluated during the data-analysis phase. The hypotheses were tested using correlation and regression analyses, out of which four hypotheses were accepted and one was rejected. The findings revealed a high correlation among all the variables and a significant relationship between the independent and dependent variables. The data supported four of the five hypotheses, and the multiple regression analysis confirmed the conclusions of the correlation analysis. The findings indicate that while process management, supplier quality management, customer focus, and employee involvement significantly impact operational performance, organizational leadership does not. To improve operational performance, it is essential to provide adequate process management, supplier quality management, customer focus, and employee involvement among SMEs in the Kandy Municipal Council area.

Keywords: Total quality management practices, supplier quality management, customer focus, employee involvement, operational performance