

Business Process Management as a Dimension of Total Quality Management and Organizational Performance of Selected Commercial Banks in Bamako, Mali

¹Dr. Sylvia Nakate, ²Mbalalufu Mukenga, ³Assoc.Prof. Mabonga Eric, ⁴Dr. Mulegi Tom

¹Unicaf University, Uganda, ^{2,3,4}Kampala International University

Email: sylvianakate@yahoo.com, sergembalalufu@yahoo.com, eric.mabonga@kiu.ac.ug, tommulegi@gmail.com

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Abstract

This study sought to find the effect of process management on the organizational performance of selected commercial banks. We used a cross-sectional survey design with a quantitative approach in an attempt to achieve the goal of this study. The study used a sample of 114 respondents which was obtained statistically. The tools used for data collection were tested and validated before being rolled out to the respondents. Descriptive statistics and regression analysis were used to achieve the purpose of the study. The study conceptualized the dependent variable using two constructs; growth and sustainable competitiveness. The results revealed that process management has a significant effect on organizational performance. Process management had a higher predictive coefficient on sustainable competitiveness than it is on growth. The study concludes that process management has a positive significant effect on organizational performance. This further implies process management once taken on well can enhance performance of commercial banks.

Keywords: Process Management, TQM, Organization Performance

Introduction

The concept of total quality management became popular during the 1980s when the banking industry put more effort into providing services depending on the qualities that customers look for in a service or product. The practice of total quality management has since been demanding quality in all dimensions of the organization's activities (Adeoti, 2018). In the contemporary world, total quality management still stands out as one of the best and known types of operations management, this has made it gain global attention from all

organizational settings ranging from industry to industry and academics over the years (Ahire & Dreyfus, 2016).

Organizations implement total quality management to gain a competitive advantage in terms of productivity and customer satisfaction. The implementation of total quality management practices ensure the benefits of improved operational performance (Garca-Bermal & Ralez-Aleson, 2018). There are many total quality management practices and dimensions this study picks out business process management as one of the many practices. In this study, business process management is equally regarded as process management. Organizational performance can be understood from either economic perspective or operational perspective. In this paper, organizational performance is studied in the perspective of growth and sustainable competitiveness. For Strnadl (2016), observes that business process is a complete, dynamically coordinated set of activities or logically related tasks that must be performed to deliver value to customers or to fill other strategic goals. This study unveils the significance of processes in business enterprises but with particular emphasis the banking sector. Further, there is a clear contribution that requires an understanding of business processes by managers in order to guide businesses to achieve their desired goals.

Literature Review

Process Management and organizational Performance

Brah (2018) observes process management as a management approach that focuses on the processes that include four elements: strategic alignment, IT, employees' involvement, and process improvement to achieve organizational performance. Trkman (2010) defined it as the efforts that are made continuously by the organization to improve the basic activities in it, such as manufacturing, marketing, communications, and the basic elements of the organization's processes. According to Brah (2018) process management is an organizational approach that focuses on the processes, and is used in the analysis, design, and organizational development of business processes, to improve organizational performance and increase organizational efficiency.

Easton (2018) has identified a range of benefits that may be expected from adopting process management, such as improving organizational performance, communications within organizations, identifying inputs, identifying outputs, and business activities, understanding the flow of activities within the organization, until product or service arrives to the customer, improving the decisions related to performance processes follow-up, and improving the individual management. This kind of process provides management with direction in their operations and gives the organization the edge of achieving its goals. For Nadarajah and Kadir (2013) stated that process management has a major effect on organizational development and integration between the organizational systems and its human resources, where organizations aim to maximize the efficient use of their resources and achieve their strategic objectives and customers' needs. The literature provides interesting views of how process management move through the entire organization linking various units and ensuring coordination of activities to put the organization in the right direction.

Business Process Management (BPM) has emerged as a holistic management discipline covering process centered technologies, modeling and analysis methods, as well as such things as strategic alignment, governance, people and culture (Rosemann & vom Brocke, 2010). For Malinova and Mendling (2018), structuralized implementation of BPM, will enable enterprises to reach their intended goals. BPM enables a company to adapt to the challenges posed by its environment and create new possibilities of gaining an advantage over the

competition. Properly defining processes, and then modelling, implementing, controlling and enhancing them, considerably improves both a company's profitability and customer satisfaction, and consequently boosts the company's competitive potential (Bitkowska, 2020).

The main goal of Business Process Management is to improve the efficiency of operations in the enterprise by constructing activities in terms of creating added value, paying particular attention to customer partialities and needs, and the proper description and configuration of processes in the enterprise in accordance with the criteria of time and space. In many cases, meeting these requirements is not always possible due to the lack of a design approach or the need to use knowledge.

Total quality management has been introduced in major organizations and sectors due to the stiff competition that organizations face (Ahire & Dreyfus, 2016). As a result, all organizations have had to adopt and implement total quality management to achieve their organizational goals and objectives which has been achieved through improvement of their business success strategies like differentiating their products and gaining a competitive advantage over other firms in the market (Herzallah et al., 2014). Organizations implement total quality management to ensure the benefits of improved operational performance (Garca-Bermal & Ralez-Aleson, 2017). Process management deals with how organization designs and introduces the product and services to customers. It incorporates production and delivery requirements that include relationship management with the suppliers. The business process aspect of total quality management entails the entire process through which an organization handles its activities through operations.

From the business perspective, process management is often regarded as a best practice management principle to help companies sustain competitive advantage (Hung, 2006). Basing on dynamic capabilities as put forward, defines a set of specific and identifiable processes, such as product development, strategic decision-making, and alliances (Sher & Lee, 2004). The process view allows analysis, design, management, and optimization of the dynamic structure of a business (Strnadl, 2006).

Organizational Performance

The concept of organizational performance has been widely researched by many scholars. However, there is no single common ground as to how the concept is defined. It is though accepted that organizational performance can be measured; this can be either quantitatively or qualitatively. Thus in this study we take the qualitative measurement, from this perspective we therefore, define organizational performance as growth and sustainable competitiveness of a business enterprise. Chang et al (2019) maintains that organizations to be able to compete favorably they must essentially and continuously improve their businesses especially the quality of the goods and services, this may be through improvising better marketing strategies, product differentiation, and cost reduction of the business. While Zakuan et al (2018) suggests that there is an urgent need to embrace and adopt current means of operation management that improves their performance gradually to continue existing successfully over the years. Ahire and Dreyfus (2016) observe that Banking institutions have been crucial in exhibiting model performance by improving their results despite the high level of competition for a piece of the market. In the words of Kunt et al (2017) the performance of banks and their interest margins are identified as the key indicators of efficiency or inefficiency for most banking systems, this is because they are the link between interest rates on savings and loans. Urquidi and Ripoll (2013) observes that organizations find themselves

bound to redefine the essentials of their businesses, and consequently to search for solutions that will allow them to endure and grow

Systems Theory

The theory by Von Bertalanffy (1968), the theory maintains that a system has input, process, output, feedback, and control is well established. The idea that all systems are comprised of subsystems plus the fact that all systems are subsystems of other systems is also in place. In line with this paper, business processes works in form of system with inter connected sub systems to yield the desired results for any business entity.

General system theory introduced key concepts such as open and closed systems, stressing the role and importance of context and environment, or the way systems can reach the same goal through different paths, and developmental features that are shared across the organization (Turban et al., 2001). Therefore, business processes are system oriented and the achievement of desired goal by the business highly depends on the approach it adopts. Therefore, for business enterprises irrespective of the sector they are in, their activities or functions follow a system of some sort.

Ajayi and Omirin (2007) have noted that Integrated management Information Systems supports the process of providing information to handle managerial operations and decision-making process in an organization. The system provides the ambiance to management to enhance value for the organization.

Methodology

This study adopted a cross-sectional survey design as Herbst and Coldwell (2004) maintains that a cross-sectional study is conducted once and reveals a snapshot of one point in time. The cross-sectional design is often called the social survey design and is closely connected with a questionnaire. Thus questionnaires were employed to collect data from a sample of a sample of 114 employees from three selected banks. The study used inclusion criteria in order to attain the sample size. Data collection tools were test for reliability before being rolled out to respondents. Quantitative approach was used to analyze the data in order to achieve the purpose of the study. Inferential statistics preferably regression analysis was employed to ascertain the prediction of process management as and independent variable on organizational performance the dependent variable.

Results

The findings were obtained through statistical analysis of the data collected by use of questionnaires; descriptive statistics and regression analysis were used.

Descriptive Statistics

Table 1

Descriptive statistics of process management

Process management	Mean	Std	Interpretation
There is a continuous improvement technique integrated with process management	3.76	1.33	High
there is effective process review ad control to conform to standards	3.45	1.27	High
there is the careful alignment of corporate strategy with TQM strategy	3.40	1.16	High
Average total	3.53	1.25	High

Finding from table 1 shows descriptive statistics from the data on a five Likert scale. The overall mean value is interpreted as high, suggesting that respondent's score for the questionnaire items. This variable is considered as important in the respondent's view given the rating of their opinions. The difference between the highest value and the lowest value of the standard deviation is very small implying the mean values for process management as a variable is a good measure and therefore, can be used to test its effect on the dependent variable. These statistics provide a clear basis to proceed with inferential statistical analysis.

Table 2

Descriptive statistics of organizational performance

Growth	Mean	Std	Interpretation
our deposit growth position improves relative to the competition	3.64	1.19	high
management is satisfied with the deposits growth rate of our bank	3.98	0.44	high
the bank market share gains relative to the competition	4.09	0.50	high
Average mean	3.09	0.71	Moderate
Sustainable competitiveness			
The bank's competitive advantage due to the implementation of total quality management	3.70	1.05	high
the banks use proprietary technology	3.96	.727	high
The bank has better service delivery that addresses customer concern	4.14	.536	high
Average mean	3.93	0.77	high

Table 2 presents descriptive results of organizational performance, which was conceptualized in terms of growth and sustainable competitiveness. When we observe the standard deviations of the two constructs, they tell us that the mean values are good measures of organizational performance. Therefore, it appropriate to use these variables in the study and run some advanced level of analysis to achieve the purpose of the study other than the descriptive statistics.

Regression Analysis

Table 3

Regression analysis between process management and organizational performance

Variables Regressed	Adjusted r ²	F-value	R	Sig.	
Process management Vs Organizational performance	.832	88.4	.912	.000	
	Unstandardized Coefficients		Standardized coefficients Beta	t-value	Sig-value
	B	Std. Error			
(Constant)	34.454	1.124		28.885	
Growth	.563	.130	.392	4.156	.000
Sustainable competitiveness	.834	.478	.762	3.83	.000

The results in table 3 reveal the effect of process management on organizational performance. Process management has positive significant effect on organizational performance and the findings suggest that process management explains 83.2% variation in organizational performance. The findings further suggest that process management highly predicts sustainable competitiveness with 83.4%. This therefore, suggests that process management can be employed if businesses are to attain competitiveness in the environment or sector in which they operate in. Further, findings indicate that process management predicts 56.3% of growth of banks. Organizational performance was conceptualized with two constructs and study focused on growth and sustainable competitiveness. Process management is a good predictor for both sustainable competitiveness and growth in the banking sector.

Conclusion

The study concludes that process management has a significant effect on organizational performance of commercial banks. The contribution of process management is highly evident in the way businesses can be competitive, implying for organizations to be more competitive and attain growth, the focus has to be on how the organization implements the processes management. Thus organizational performance is dependent on how well the organization adopts to systems in its processes to yield the desired results that can be seen in how well the organization is doing in attaining competitive advantage and desired growth. It therefore, significant for managers to embrace business processes through the systems laid out to enable the business to achieve sustainable competitiveness. This study provides evidence that business processes are significant in improving business performance. Therefore, implementing good business processes is one way of put the business on the right direction to succeed.

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