

**Assessment of Total Quality Management Practice**  
**The Case of Moha Soft Drinks S.C.**  
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## **Introduction**

### **1.1. Background of the Study**

Total Quality Management (TQM) is a management style that implies non-stop process of quality improvement of products and services, processes and personnel work. This is a bunch of methodologies that drive company to strategic goals achievement through unceasing quality development. It is focused on production of goods and services that possess high quality from viewpoint of customers. Total quality management has shown phenomenal results and now it is used in many successful enterprises all across the world. It allows obtaining faster, fundamental and more efficient business development, because it stimulates production of much better products for better prices. (Omolo, 2016)

One of the most important concerns of today's business environment is quality management. This movement was established in the early 1950 by W. Edwards Deming and was actively pursued in many countries worldwide. The core principle of total quality management is to meet the demanding needs of the customer. Total quality management incorporates a total commitment to the customer and develops strategies to limit error possibilities. (Omolo, 2016)

Five core characteristics are needed to achieve total quality management. First, the organizations culture needs to become customer focused. This happens on two levels first, a front line level that deals directly with the customer's needs, and an upper level that utility planning and strategy to meet the needs of the customers. On both levels, standards become customer driven with quality being a top priority. This first variable factors in the importance to both internal and external customers and the need to meet their needs. (Omolo, 2016)

Additionally, the organization develops a concern for continual improvement. As managers, this characteristic enhances the need for systems approach to operations. Total quality management leads to an organization culture that values accuracy and exploits areas of high possibility for error. Because

bench marks is a valuable tool to use, and is necessary to continually improve quality. Other areas of business become affected by continual improvement. Teams become quality focused, and even management concepts develop in to a more synergetic approach.

## **1.2. Statement of Problem**

TQM has for a long time been practice oriented and the audience is mostly managers and practitioners rather than managerial theorists. The fundamental assumptions of the rationale behind Total Quality Management are; investments on the improvement of quality always has its benefits outweighing the costs of producing sub-standard quality, when given training and tools of work, will by nature seek to produce desired quality, cooperation between different departments of the organization is necessary for the sake of superior quality and that the overall responsibility for sits with senior management. (Omolo, 2016)

TQM is an essential aspect in the manufacturing, distribution and trading industries. For a company to remain competitive on a world scale, improvement must be made in both levels of cost and quality.

In the quest to improve its services, retain and attract customers plus to stand out in the competition, PepsiCo. has adapted total quality management as an operation management tool.

Which Moha soft drink is required to follow the strategy of Pepsico as their licensing agreement indicates.

In this study student researcher has tried to identify specific problems related to TQM of the case organization. The results of preliminary assessment revealed that the TQM of Moha soft drink is characterized by lack of strategy and, lack of employee involvement.

Hence, the study tried to assess application of total quality management system, in Moha soft drink and find out the possible gap that need to be seen by respective management of the company.

## **1.3. Research Questions**

In order to accomplish the study objective the following basic questions was raised by the researcher.

1. What are the factors that affect the effective operation of the TQM system of Moha soft drink?
2. How effective are the TQM practices in Moha soft drink.
3. Is Moha soft drink Company losing its market shares because of ineffective TQM practices, product quality or product prices?
4. What measures can be put in place to improve TQM practices in Moha soft drinks.

#### **1.4. Objectives of the Study**

##### **1.4.1 General Objective**

The general objectives of the study are to assess and give a clear picture about Total Quality Management practice of Moha soft drinks Pepsi.

##### **1.4.2 Specific Objectives**

The specific objectives are

- To find out and state the factors that affects effective operation of TQM in the organization.
- To state the extent of TQM practice in the organization.
- To assess if the company is losing market share by compotators.
- To show what kind of measures can be used to improve TQM practice in the company.

#### **1.5. Significance of the study**

Every research should have something to contribute since a lot of time, money, human skill power and energy is put into conducting the research. This study could contribute among these:

.The study has tried to reveal the major factors that creates problem in TQM in Moha soft drinks Pepsi.

.The study will serve as a spring board for the other research who would like to study the same issues in a wide scale.

## **1.6. Scope of the Study**

The study mainly focused in assessing Total Quality Management practice in Moha soft drink. The company currently has seven operating units in Ethiopia; however the study has been focused in Addis Ababa Nifas Silk Plant office which is located in Gotera area the student researcher has chosen the study area because of time and other constraints, in addition to this the study assess TQM practice for the past 4 years ( 2014-2017).

## **1.7. Research Design and Methodology**

### **1.7.1. Research Design**

The student researcher has used descriptive type of the research design for the reason that it has to create a mental picture in describing the existing situation.

### **1.7.2. Population and Sampling Techniques**

The target population of the study is production and professional bureau employees of Moha soft drinks located at Addis Ababa Nefas Silk with a size of 820 employees out of the total population 10% sample is taken.

According to Lorraine Gay (1981). Generally accepted respondent number for a study depends upon the type of research involved; as for descriptive research the sample should be 10% of population. But if the population is small then 20% may be required. L.R Gay (1981).

Random Sampling, simple random sampling techniques is used. This technique was believed to improve efficiency by reducing sample sizes for desired levels of precision and reliability.

The researcher has used purposive sampling to get the right management body to have a seat and share ideas related to the practice of total quality management in the organization.

### **1.7.3. Type of Data Collected**

For this research the researcher used both primary and secondary data. Primary data have been collected through questionnaires that have been dispatched to employee and face to face interview with concerned managers.

The secondary data has been gathered from published and unpublished organization's document and other related areas.

#### **1.7.4. Method of Data Collection**

The primary data has been collected through interview and questionnaires. On the other hand, secondary data has been gathered from different written documents, such as books, newspapers, journals, company profiles and reports and electronic sources and other important document to the study.

#### **1.7.5. Method of Data Analysis**

The data collected is analyzed and interpreted through descriptive method since it describes the obtained result as it is and then presented in the form of tables.

### **1.8. Organization of the Study**

The research paper consists of four chapters. Chapter one deals with background of the organization and study, objectives of the study, statement of the problems, significance of the study, methodology, scope of the study, limitation of the study and organization of the paper. Chapter two deals with review of related literature. Chapter three concerned with data presentation and analysis and finally, chapter four contains summary conclusions, and recommendations.

### **Data Presentation, Analysis and Interpretation**

This chapter deals with presentation, analysis and interpretation of data obtained from respondents through administration of questionnaire and interview. Out of 82 questionnaires distributed to the respondents, 82 (100%) of them were properly filled and returned and also interview conducted to management bodies of the target departments.

Accordingly, all the data gathered were presented, analyzed and interpreted in the upcoming chapter.

#### **3.1. General Characteristics of Respondents**

Table 3.1.1 below shows, the general characteristic of respondent in terms of their sex distribution, age category, year of service in the company and work experience of respondents.

Table 1: Sex Distribution, Age, Year of Service and Educational Background

No.	Item		Respondents	
			No	%
1	Sex	Male	61	74
		Female	21	26
<b>Total</b>			<b>82</b>	<b>100</b>
2	Age	16-20	-	-
		21-30	45	62
		Above 30	37	38
<b>Total</b>			<b>82</b>	<b>100</b>
3	Level of Education	Diploma	27	33
		Bachelor Degree	40	49
		Master's Degree	3	5
		Other's	11	13
<b>Total</b>			<b>82</b>	<b>100</b>
4	Work Experience			
		0-4 Years	21	26
		5-9 Years	24	29
		10 and above	37	45
Total			82	100

As can be seen in table 3.1.1, majority of the respondents i.e. 61(74%) are male. While the rest 21(26%) of them are female. This indicates that, the study can address both sex categories.

Table 3.1.1 above indicated that, majority of the respondents i.e. 45(62%) of the respondents are in the age category of 21-30. While the rest 37(38%), of the respondents fall in the age category of above 30 and none fall under the age of 20. This indicates that, much of the study respondents are fall under productive age.

Item 3 of the same table indicated that, majority of the respondents i.e. 41(50%) of them replied that they are Bachelor degree holders. While Diploma comes after 27(33%) and only 3(4%) of them are Master's Degree holders, in addition to other educational background in number of 11(13%). This shows that, respondents are addressed from different educational background mostly bachelor.

Item 4 of the same table signifies that, majority of the respondents 37(45%), of them replied that they are working within the company 10 years and above. While the remaining 24(29%) and 21(26%) of the respondents have work experience of below 10 year, From this one can understand that, respondents have reach experience to judge the fact within the company.

### 3.2. Analysis of the Findings of the Study

#### 3.2.1. Implementation of TQM

**Table 2**

NO	Questions Related to the Study	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		Frequency and Percentage	Frequency and Percentage	Frequency and Percentage	Frequency and Percentage	Frequency and Percentage
1	The company has strong Total Quality Management practice?	10 12%	55 67%	11 14%	5 6%	1 1%
2	The Company properly utilizes Total Quality Management in overall service delivery operation	6 7%	62 76%	11 13%	3 4%	0 0%
3	Total Quality Management is suitable for the Company	39 47%	27 33%	12 15%	3 4%	1 1%
4	Total Quality Management is compatible with the company operation	14 17%	52 63%	13 16%	3 4%	0 0%
5	The company makes adjustments on Total Quality	0 0%	6 7%	31 38%	42 51%	3 4%
6	The company observes quality improvement at all levels.	22 27%	44 54%	16 19%	0 0%	0 0%
7	The company creates a positive image to customers and other stakeholders.	14 17%	64 78%	4 5%	0 0%	0 0%
8	Total Quality Management Contribute to the profitability of the company.	0 0%	17 20%	45 55%	17 21%	3 4%
9	Total quality management assists functional areas.	2 2%	25 31%	45 55%	9 11%	1 1%
10	The company reduces stock out or unnecessary costs.	4 5%	44 54%	27 33%	7 8%	0 0%
11	The company eliminates wastes.	14 17%	48 59%	20 24%	0 0%	0 0%

1. **Item No. 1** shows that 67% of the respondents agreed that Moha soft drinks has strong TQM practice. 10 of them (12% ) strongly agreed that the company has strong practice, while 14% of them were neutral, and the rest 6% strongly disagreed. From these we can conclude that majority of the employees have agreed that that the company has strong on the practice of TQM.
2. In Item No. 2 , the table majority (76% and 7% ) of the respondents agreed or strongly agreed that the company properly utilizes TQM in overall service delivery operation, while 13% were neutral, only 4% of the respondents disagreed and indicates that the company properly utilizes TQM in its overall service delivery operation.
3. In Item No. 3, it is clear that 47% and 33% of the respondents, which is the majority, strongly agreed and agreed on the suitability of TQM system in the company. While 15% were neutral, 4% disagreed and only 1% of them strongly disagreed. From this, it can be concluded TQM is properly implemented in the company.
4. Item No. 4 indicates that 63% and 17% of the respondents agreed and strongly agreed that TQM is compatible with the company operation, while 16% were neutral, and only 4% disagreed and there was no one who strongly disagreed. This indicates that majority agreed that TQM system is compatible with the company.
5. In Item No. 5, we can see that the majority of the respondents (43% ) were neutral, and 36% and 17% of respondents agreed or strongly agreed respectively, while only 4% of disagreed and there was no one who strongly disagreed. It can be concluded that there is a conflict between the respondents. if the company makes adjusts on TQM which means that the company makes adjustment into only some extent.
6. Item No. 6 as it can be seen from the table about half of the sample with a percentage of 54% and 27% have agreed and strongly agreed on if the company observes quality improvement at all levels while 19% has responded with neutral with no one to seem disagree or strongly disagree which indicates that most of the employees agrees on the observation of the company on quality improvement at all levels.
7. Item No. 7 shows that the majority of the respondents responded with 78% agree and 17% strongly agree on the creation of the company a positive image to customers and stake holders, while only 5% of the



respondents have chosen neutral, and with zero response to disagree and strongly disagree. We can conclude that the company is creating a positive image to customers and other stake holders as seen from the respondents.

8. As it is seen item No. 8, a large portion of respondents (55%) were neutral about TQM's contribution to the profitability of the company while 21% and 4% disagreed and strongly disagreed and the rest 20% of the respondents agreed and strongly agreed which implies that most of the respondent were neutral to the profitability contribution of TQM to the company..
9. Item No. 9 shows that 55% of the respondents were neutral in case of TQM assists functional areas while 31% and 2% agreed and strongly agreed. And 11% and 1% disagreed and strongly disagreed which implies that most of the respondents don't know whether it assists or not while other respondents agreed and disagreed.
10. As it is shown in Item No. 10, 54% and 5% have agreed and strongly agreed that the company reduces stock out or unnecessary cost while 33% were neutral and 8% disagreed with zero per cent strongly disagreed, which implies the company reduces unnecessary costs.
11. Item No. 11 shows that the major of the respondents 59% and 17% agreed and strongly agreed that the company eliminates wastes while 24% were neutral and there was no one who disagreed or strongly disagreed.

### 3.2.2. Employee Involvement in TQM

- **Table 3**

NO.	Questions Related to the Study	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		Frequency and Percentage	Frequency and Percentage	Frequency and Percentage	Frequency and Percentage	Frequency and Percentage
1	Employees are provided the opportunity for involvement in quality management practices development and	2 2%	23 28%	24 29%	32 40%	1 1%
2	Employees are motivated to improve on quality management practices implementation through	2 2%	16 19%	32 40%	31 38%	1 1%

1. Item No. 1, as seen on the table, the majority (40%) have disagreed with the idea that it provided employees with the opportunity for involvement in quality management practices development and implementation while 29% were neutral and 28% and 2% agreed and strongly disagreed and only 1% strongly disagreed. This indicates that majority of the employees don't get the opportunity to involve in quality management practice development and implementation.
2. Item No. 2, in the above table, 40% of the respondents were neutral to the idea employee motivation to improve on quality management practices implementation through reward and incentive while 30% disagreed and 1% strongly disagreed, the rest 19% agreed and 2% with strongly agreed. This implies that there is little or not enough employee motivation to improve quality management practices implementation through rewards and incentives.

### 3.2.3. Employee Training

**Table 4**

NO.	Questions Related to the Study	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		Frequency and Percentage	Frequency and Percentage	Frequency and Percentage	Frequency and Percentage	Frequency and Percentage
1	There is regular training for the employees.	34 42%	46 56%	2 2%	0 0%	0 0%
2	There are trainings related to Total Quality Management	0 0%	11 13%	41 50%	29 36%	1 1%

**1. Item No. 1** as from the table we can see that major portion a percentage of 56% and 42% agrees and strongly agrees that there is regular training for the employees while only 2% has chosen neutral and zero respondent to disagree and strongly disagree, this shows that the employees get regular training.

2. **Item No. 2** it can be seen from the table half of the respondents a 50% of

them has been neutral towards if there are trainings related to TQM while 36% and 1% disagrees and strongly disagree while encounter to that 13% of the respondents has agreed while 0% strongly disagrees, which implies that there are TQM related trainings to some employees only.

### 3.2.4. Product Performance

• **Table 5**

<b>NO.</b>	<b>Questions Related to the Study</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
		<b>Frequency and Percentage</b>	<b>Frequency and Percentage</b>	<b>Frequency and Percentage</b>	<b>Frequency and Percentage</b>	<b>Frequency and Percentage</b>
1	The company has higher demands on its products more than previous years?	20 24%	49 60%	12 15%	1 1%	0 0%
2	The company is able to achieve 100% customer satisfaction.	12 15%	65 79%	5 6%	0 0%	0 0%
3	The company work towards producing goods and services of high quality.	36 44%	45 55%	1 1%	0 0%	0 0%
4	The company is in a solid ground in term of competition.	9 10%	24 29%	12 15%	34 41%	3 4%
5	The company produces goods at zero defects.	21 26%	43 52%	17 21%	1 1%	0 0%
6	The company products have high quality	36 44%	45 55%	1 1%	0 0%	0 0%
7	The company's products sold in a reasonable prices	40 49%	39 48%	2 2%	1 1%	0 0%

3. Item No. 1, in the above table, shows that the majority ( 60%) and (24%) agreed and strongly agreed that there is higher demand of the product from the previous years while 15% were neutral and only 1% disagreed and none were strongly disagreed, from this we can conclude that there is a higher demand on the product from previous years.

4. Item No. 2, as it is seen on the table the majority of respondents (79%) and (15%) agreed and strongly agreed in the case of the ability of the company in achieving 100% customer satisfaction while only 6% were neutral and none disagreed and strongly disagreed, which shows that the employees are confident that the company's product achieves 100% customer satisfaction.
5. As it can be seen in Item No. 3, the major a of the respondents (55% ) and (44%) agreed and strongly agreed that the company works towards producing goods and services of high quality while only 1% were neutral towards it and was no one disagreed or strongly disagreed, This implies that the company is working towards producing goods and services of high quality as the majority of the respondents show.
6. Item No. 4, as it is seen on the table, there is a spread on the respondents answers to the question in terms of that the company is in solid ground in terms of competition as it shows that 41% disagreed and 4% strongly disagreed while 29% agreed and 10% strongly agreed. On the other hand 15% of the respondents were neutral which implies that there is a thought conflict between the employees in term of the company has solid ground in term of competition.
7. Item No. 5 shows that majority of respondents (52%) and (26% ) agreed and strongly agreed that the company produces products at zero defect while 17% were neutral and on the other hand one respondent (1% ) disagreed while 0% strongly disagreed, which concludes that the company produces goods at 0 defect.
8. Item No. 6, as shown on the table, the major of respondents (55%) and (44%) agreed and strongly agreed that the company's product has high quality while only 1% were neutral and none one disagreed and strongly disagreed which shows that the company product has high quality.
9. as shown Item No. 7 , in the above table large number of the respondents ( 49%) and (48%) strongly agreed and agreed that the company's products sold at reasonable prices while 2% were neutral and only 1% disagreed and there was no one who strongly disagreed, which implies that the employees think that the company's products are sold in reasonable price.

### **3.3. Interview Analysis**

**Question1: Do you believe that TQM is practiced in the company efficiently?**

According to the above question, the manager response the company TQM practice is effective but not yet efficient due to different aspects, which includes working environment because it is in the middle of the city plus to lack of awareness of the system by large number of employees.

**Question2: Is Moha soft drink losing the competition when it comes to soft drinks market share? If so, is it related to product quality?**

According to Management the company is losing competition in the capital of Addis Ababa but there is increasing numbers on demand to some areas and especially to the north region, the management now working on retaining the market share from competitors in Addis Ababa in different aspect mostly marketing.

**Question3: Can you explain the kind of relationship between the company and its suppliers which supply raw materials to make the company's products? If there is challenges please mention.**

According to interview respondent there is a strong relationship between the company and the suppliers, there is a relationship which lasted for more than 20 years including international suppliers, but the problem is with sugar suppliers as it is not available most of the times.

**Question4: Do you think if TQM is implemented efficiently in the company could lead to better position in the market?**

The respondent positively answered that implementing TQM in the company efficiently will lead to better position in the market since the competition is very strong in this industry.

### **Summary, Conclusions and Recommendations**

In the previous chapter the researcher tries to analysis the data collected through questionnaires. This chapter contains summary of major finding, conclusions and recommendations based on the analysis.

#### **4.1. Summary of Major Findings**

As a whole the objective of this study was to assess the problem of TQM implementation in Moha soft drinks S.C. Nefas Silk Plant. To achieve this objective related literatures were reviewed, and questionnaires were

distributed to the sample respondents by using systematic sampling techniques and analyzed using descriptive analysis method. The basic research questions were presented in summary part by relating with the questions that responded by respondents .The data obtained are presented using percentage and summarized as follows:

- In terms of gender (sex) of employees of the company 61(74%) of the employees are male and 21(26%) are female, 45(62%) of the employees are in the age of 30 years and under, and 40 (49%) of them have bachelor degree and above educational level.
- 55(67%) of the respondents agrees that Moha soft drinks has strong TQM practice.
- 62(76%) of the employees agrees that the company properly utilizes TQM in overall service delivery operation.
- 39(47%) of the employees strongly agrees that TQM is suitable for the company.
- 52(63%) agree that the TQM is compatible with the company operation.

## **4.2. Conclusion**

Based on the above findings of the study, the following conclusion can be stated.

- Observing the summarized data it reveals that some of the factors that affects operations of Moha soft drinks are
  - A.** There is no adjustment or update on the system as it uses the same practices since it is introduced in the first time.
  - B.** Employees are not provided with opportunities for involvement in quality management practices development and implementation.
  - C.** There is little training in term of the system for the employees.
- Total Quality Management system effectiveness in the company is satisfactory, but it needs to be given priorities by the management to be efficient.

- The company is losing competition in the capital of Addis Ababa but there is increasing numbers on demand to some areas and especially to the north region, reasons of this is not ineffective TQM practice but it comes to other factors mostly promotion.
- Some of the measures that could be put in order to improve TQM practice of the company are
  - A. Making adjustments in the system.
  - B. Updating the system.
  - C. Making enough training in terms of the system.

### **4.3. Recommendations**

- There is need for the company to prioritize and enhance total quality management training process to help in preparing employees towards managing the total quality management, so as to be able to identify and contribute to ongoing quality improvement process of operational efficiency.
- The company should focus on feedback to benefit the employee in the way that they can make better themselves both in communication with one another and rendering products to the customers and suppliers.
- Total quality management system currently installed in Moha soft drinks somehow has important features, which is positively affect service delivery operation. This implies that the company can achieve its overall objective effectively since functional units can carry out their respective task with the support of TQM.
- The possibility of the system being effective to assist the company operation not as such insurable, which might result faller in day to day service quality delivered to customers.
- There is need for company management to establish grow and treat their suppliers as long-term partners as they are integral part of the organizations business operations and materials and purchased parts are often a major source of quality problems better to mention taste change of Miranda because of supplier relationship which made an issue in customer

trust. This will promote and facilitate communication and thereby improving the effectiveness and efficiency of processes that create value.

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