Analysis of Total Quality Management Implementation to Improve Managerial Performance in State-Owned Enterprises

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Abstract. This study aims to analyze the application of Total Quality Management (TQM) to improve managerial performance at the Perum Bulog Sub-Directorate of Makassar. This research is qualitative research conducted at the Office of the Bulog Subdivision Makassar. Data was sourced from interviews with informants and the results of observations and collected documentation. The informants in this study were the head of the warehousing section and the head of other sections, which consisted of 4 informants. Furthermore, qualitative data analysis was carried out in three stages: data reduction, presentation, and conclusion. The results showed that Total Quality Management is a structured system that is used to improve managerial performance. In Total Quality Management, there are improvements to the company's vision, mission, and strategy to be even better, teamwork and focus on customer satisfaction make all employees work together and try to do better in carrying out their duties so that performance management can also improve.

Keywords: managerial performance, total quality management, qualitative research
Introduction

State-Owned Enterprises (SOEs) are companies that the government mainly owns. Therefore, SOEs are expected to encourage Indonesia's economic development and become a source of improving people's welfare and are expected to make a valuable contribution to all relevant parties (stakeholders) (Sarafina & Saifi, 2017). The role of SOEs is reflected in commercial activities in almost all economic sectors, such as agriculture, fisheries, plantations, forestry, manufacturing, mining, finance, post and telecommunications, transportation, electricity, industry, trade, and construction (Sarafina & Saifi, 2017). Seeing the involvement of SOEs in the economic sector in Indonesia, which is almost entirely controlled, makes the conglomeration of the private sector narrow. However, until now, SOEs are still losing out to the private sector and reporting from Republika.co.id, Presidential Special Staff for Economic Affairs Arif Budimanta stated that state-owned enterprises must be role models for national private companies in developing the business world and jointly building the archipelago. From capabilities and governance to all aspects of financial discipline owned by SOEs, we can see examples from various fields. It was further explained that the backwardness of SOEs was caused by the management of SOEs that was not as good as the private sector.

In this regard, the Minister of SOEs in the planning process for constructing the Nusa Dua-Nurarai Benua toll road in Denpasar, Bali, identified 18 SOEs with poor performance. According to him, one of them is the result of poor management (Octhina, 2018). This phenomenon shows that to balance the private sector, SOEs need to improve their managerial performance. Managerial performance is the ability of managers to carry out managerial activities, including planning, investigation, coordination, supervision, staff management, negotiation, and representation (Soetrisno, 2010).

The company's need for good management performance is to maintain the survival or viability of the company. Customers are an integral part of the company's development and require maximum service performance. The company's performance evaluation system should be helpful for users to make decisions that affect management performance. The higher the company's feedback response, the better the company's performance (Handoko, 2000; Mintje, 2013). Good managerial performance can make business people continue to compete in the current era of globalization. One way to face the era of globalization in the increasingly fierce regional and global competition is to apply the concept of Total Quality Management (TQM) in the manufacturing and service industries and self-preparation strategies by improving the quality of employees and managers. It aims to improve the quality and productivity of the production process in a sustainable, optimal, and sustainable manner (Mintje, 2013).

TQM is a business operation method that aims to maximize an organization's competitiveness through continuous improvement of products, services, human
resources, processes, and the environment (Nasution, 2005; Mintje, 2013). By implementing the proper Total Quality Management (TQM), companies can see how much performance changes have been achieved by employees and company managers through a performance evaluation system and a reward system. This affects the performance of management because the organization's success in achieving its goals and fulfilling its social responsibilities is highly dependent on the manager. If managers can carry out their duties well, the organization will achieve the desired goals (Jusuf, 2013).

The primary reference from the research that has been done in the previous research conducted by Mardiyah & Listianingsih, (2005). The difference is that the previous research was conducted in a different location, the time of the study was 2005, using quantitative research methods and had a system Reward and Profit Center factor as additional factors, while the research that has been carried out is using qualitative descriptive research methods and has no other variables. Thus, this study aims to analyze the application of Total Quality Management (TQM) to improve managerial performance at the Perum Bulog Sub-Directorate of Makassar. Through this research, it is hoped that the SOE sector can pay more attention to its management, especially for Perum Bulog Subdivre Makassar, to continue using Total Quality Management as a structured system with more leverage for the following: years.

**Literature Review And Focus Of Study**

Goal setting is the leading theory in this research. Mehta et al. (2020) state that goal setting is a process that involves superiors and subordinates together in determining or setting goals or work goals to be carried out. Targets or targets can be added by explaining to the workforce how to do the task and why it is essential to carry out these goals or objectives. Goal-setting theory (goal setting) developed by Locke & Latham, (1994) explains the relationship between the goals set and work performance (performance). From the opinion of these experts, it is concluded that the target setting is result-oriented. This oriented management is considered better because it emphasizes the achievement of results to lead the workforce to understand how to work. Communication relations between superiors and subordinates can be fostered better because the relationship is an interaction that gives tasks to the executor. Goal setting as a grand theory relates the indicators of Total Quality Management as a relationship between top managers and employees that will produce product quality if both work well with each other.

Vincent (2011) states that Total Quality Management (TQM) is a way to improve performance continuously(continuously-performance-improvement) at every level of operations or processes, in every functional area of an organization, using all human resources and capital available. Furthermore, Nasution (2005) states that the benefits of
total quality management can be grouped into two: it can improve the competitive position and increase output free from damage. Nasution, (2005) describes ten characteristics of total quality management, including customer focus, obsession with quality, scientific approach, long-term commitment, teamwork, continuous system improvement, education and training, controlled freedom, unity of purpose, and involvement and empowerment employees. Jusuf (2013) states the characteristics of total quality management: (1) Focus on customers. In TQM, internal and external customers are promoters. External customers determine the products or services provided to them. In contrast, internal customers play a significant role in determining the quality of work, processes, and the environment associated with those products or services. (2) Obsession with quality. Given the defined quality, the organization must be obsessed with meeting or exceeding the predefined quality. This means that all employees at every level try to carry out all aspects of their work from the view of doing good. (3) Scientific approach. The TQM method requires a scientific method, especially in design work and decision making and problem-solving related to design work. (4) Long-term commitment. TQM is a new paradigm in business. Therefore, long-term commitment is essential for cultural change for TQM to be successfully implemented. (5) Teamwork (teamwork). In organizations that implement TQM, teamwork, partnerships, and relationships are built and promoted between company employees and suppliers, government agencies, and the surrounding community. (6) Continuous system improvement. Each product or service is produced using a particular process in a system or environment. Therefore, it is necessary to continuously improve the existing system so that the final quality can be continuously improved. (7) Education and training. In implementing TQM, education and training are essential factors in developing and competing with other companies, especially in the era of global competition. (8) Controlled freedom. The freedom that results from employee participation and authorization is the result of carefully planned and implemented controls. (9) Unity of purpose. In order for TQM to run smoothly, companies must have the same goal. Therefore, all efforts can move towards the same goal. And (10) the involvement and empowerment of employees. Employee participation and authorization are critical to the implementation of TQM. Because the purpose of attracting and empowering employees is to increase the organization's ability to provide value to customers, companies can see how significant a change is in their employees and managers by implementing the proper Total Quality Management (TQM). This affects managerial performance because the organization's success in achieving its goals and fulfilling its social responsibilities is highly dependent on managers.

Managerial performance shows the ability of a manager achievement in running the organization to realize the goals that lead to the achievement of public services. According to Intan (2013), managerial performance is the individual performance of...
organizational members in managerial activities, including planning, investigation, coordination, staffing, negotiation, and others. Managerial performance is the ability of managers to carry out managerial activities, including planning, investigation, coordination, supervision, staff management, negotiation, and representation (JT Mahoney, 1993; Soetrisno, 2010). Lastanto, (2010) states that personnel activities and managerial performance include eight dimensions, namely (1) Evaluation, assessing and measuring proposals, observed or reported performance, employee assessments, assessment of results records, financial statement assessments, product inspections. (2) Investigation. Collects and submits information for record reports and accounts. Measure results, determine inventory, and analyze workers. (3) Negotiation. Purchasing, selling, or contracting for products contacting suppliers, bargaining on behalf of the seller, group bargaining. (4) Planning. Determine policy objectives and actions for implementing work scheduling, budgeting, designing procedures, and programming. (5) Coordination. Exchanging information with others in other parts of the organization to link and adapt programs, inform other departments, and liaise with other managers. (6) Supervision. Direct, lead and develop your subordinates, guide, train, and explain work rules to subordinates, assign work assignments and handle subordinates. (7) Staffing arrangements. Maintaining your workforce, recruiting, interviewing, selecting new employees, placing, promoting, and transferring employees; and (8) Representatives. Attend meetings with other companies, business association meetings, speeches for public events, promote the company's general goals.

Implementing managerial performance (JT Mahoney, 1993; Soetrisno, 2010) includes the planning stage, the investigation stage, the coordination stage, the evaluation stage, the supervision stage, the staffing stage, and the negotiation and the representation stage. The planning stage is an action made based on future facts and assumptions to achieve the desired goal. Planning aims to provide direction for both managers and non-managerial employees, reduce uncertainty, minimize waste, and set goals and standards used in the following function, namely the process of controlling and evaluating. Next is the investigation stage. An investigation is an effort made to collect and prepare information as material for recording, making reports to facilitate the implementation of measurement results and analysis of the work that has been done (TA Mahoney, Jerdee, & Carrol, 1963). Investigation techniques include direct (internal) probes, namely to find out directly what is happening in the user's environment (questionnaires, questions and answers, and observations), as well as indirect (external) probes, activities that can be carried out quickly and invisible from operational personnel, so that they can find out the outside or something that is hidden from the user community (procedure flow, study documents, samples, and tabular).
1. Coordination stage. Coordination is the alignment of actions that includes exchanging information with people in other organizational units to be able to relate and adjust the program to be run.

2. Evaluation stage. Evaluation is the ability to assess and measure proposals, observe and report performance, assess employees, evaluate results records, evaluate financial statements, and examine products.

3. Supervision stage. Supervision, namely directing, leading, and developing the potential of subordinates, as well as training and explaining work rules to subordinates. The benefit of supervision is that it is used to determine what activities have been carried out, evaluate them, and correct them if necessary to carry out activities by the plan/program.

4. Staffing stage. Staffing, namely maintaining and maintaining subordinates in a work unit, selecting new jobs, placing and promoting these jobs in their units or other work units. Activities Staffing include motivating employees always to work hard, employee welfare, rewards, guiding employees so that they are more advanced, opportunities for self-development, termination, and retirement of employees.

5. Negotiation stage. Negotiation is an attempt to obtain an agreement in terms of buying, selling, or contracting for goods and services.

6. Representation stage. Representation, namely conveying information about the organization's vision, mission, and activities by attending business group meetings and consulting with other offices.

**Research Method**

This research is qualitative research conducted at the Office of the Bulog Subdivre Makassar. Data was sourced from interviews with informants and the results of observations and collected documentation. The informants in this study were the head of the warehousing section and the head of other sections, which consisted of 4 informants. The research instrument is the researcher, and the researcher must have the following criteria (1) the researcher as a tool must be sensitive and able to interact with all stimuli from the environment, which must be estimated to be meaningful or not for the researcher; (2) the researcher as an instrument can adapt to all aspects of the situation and can collect various kinds of data at once; (3) each situation is a whole, there is no instrument in the form of a test or questionnaire that can capture the whole situation, except for humans; (4) a situation that involves human interaction, cannot be understood with knowledge alone, because to understand it we need to feel it, explore it based on our knowledge. (5) the researcher as an instrument can immediately analyze the data obtained, and can
interact it and generate hypotheses immediately to determine the direction of observation, in order to be able to test hypotheses immediately to determine the direction of observation so that they can test hypotheses that arise immediately; (6) only humans as instruments can draw conclusions based on data collected at one time and use immediately as feedback to obtain confirmation, change, improvement or implementation; and, (7) with humans as instruments, strange and deviant responses were noticed. Responses that are different from others, even contradictory, are used to increase trust and understanding about the aspects studied.

Furthermore, qualitative data analysis of the Miles & Hubermen (1992) model was carried out; there were 3 (three) stages: data reduction, data presentation, and concluding. Initially, the selection, focusing of attention, abstraction, and transformation of rough data were taken from the field (Sugiono, 2008). The essence of data reduction is merging and uniforming all forms of data into written form to be analyzed. In this study by giving questionnaires or observations to employees (data reduction). After the data has been collected, the researcher then groups similar things into categories or groups to make it easier for researchers to conclude (presentation of data). Next, the researcher concludes from the data that has been collected from the results of observations and gives interviews to employees (concluding).

**Result And Discussion**

Nasution, (2005) stated ten characteristics of TQM described by researchers in the research results. First, focus on the customer (customer-focused). The customer is the party that determines whether the quality of the product or service produced by the company meets the needs or the level of quality he wants. Whatever is done by an organization/company, such as employee training, process improvement, use of advanced machines, or adoption of the latest technology, ultimately, the customer determines whether these efforts are beneficial. In providing quality services to its customers or the general public, Perum Bulog is a customer-focused company, as stated by Mrs. (Informant 1), Head of Commercial and Business Development Section that:

“......Bulog provides a contact person if a customer complains who contact the contact person; for example, there is rice with many lice, or the sugar they receive is wet. Each of them will immediately handle it.....”

Based on this statement, it can be concluded that Bulog is a customer-focused company. Furthermore, overall employee involvement (Total Employee Involvement). Employees are an essential company resource in achieving the goals that have been
planned. Therefore, the involvement of employees as a whole can support the company in making continuous process and quality improvements which then produce the best products and services for its customers, as also stated by Mrs. (Informant 2) as Head of the HR Section that:

“….Here, especially in the Makassar Sub-dire, we have weekly discussions, where the leadership listens to suggestions from all employees; it lasts as long as the new leadership. Before the leader decides something, it is usually discussed weekly first to ask each employee's opinion….”

All employees are required to be involved in making decisions or solving problems faced by Perum Bulog, Makassar Sub-Division. The benefit of involving all employees is to increase the sense of responsibility for the decisions that have been made because every employee is involved in making those decisions.

The third is the obsession with quality. Attention to process improvement is the basic foundation of a TQM management system. The process is a series of steps starting from receiving input from internal and external suppliers and transforming it into the output sent to customers. Like other companies, Bulog also has several sections within the company such as the trading section that is responsible for providing services, the marketing section, the finance section, and other sections where each section has this process that must be carried out and each section has a head or manager who is in charge. Is responsible for all activities carried out, and the Bulog leadership constantly supervises every activity of the company whether it is going according to plan so that the company's goals can be achieved, as stated by the Head of the Warehouse Section (Informant 3) stated that:

“….. Bulog accepts suppliers not only accept but must follow standards such as 14% moisture content, broken maximum 20% broken rice/rice, very small groats/rice a maximum of 2%. Bulog also maintains grain and rice purchased from suppliers continuously by spraying and fumigating around the warehouse so that rice is protected from pests every three months.”

Obsession on quality does not only include the quality of the product, but Bulog also has an obsession with managerial quality. As stated by Mrs. (Informant 4) Head of Accounting, Risk Management, and Compliance Section that:

“….Bulog has what is called a key performance individual (KPI), which every staff in the KPI will fill in, there are performance targets, there are measures and achievements that personal employees will assess,
and also assessed by the Section Head so that the head of the data will be used later to monitor employee performance...."

Perum Bulog uses KPI to maintain the quality of its employees' performance, where employee performance will also affect product quality. Fourth, long-term commitment. One of the essential parts of quality is a commitment to achieving the company's vision, mission, and goals. The process is usually called strategic planning or strategic management, which carries out the formulation and strategic planning in integrating quality into the company's overall strategy. As we have seen, the goal of Perum Bulog Subdivre Makassar is to become a superior and trusted food company in supporting the realization of food sovereignty. The Bulog leadership constantly supervises the implementation of predetermined strategies and oversees all existing service activities, whether they are running correctly.

The long-term commitment made by Bulog is to remain committed to helping food availability for Indonesia, even though currently the food sold by Bulog is non-subsidized, but Bulog still provides subsidized food. As said by the father (Informant 3) as the Head of the Warehouse:

"...although Bulog is now selling non-subsidized food, Bulog is still providing subsidized food, which is a form of commitment that Bulog has held to this day."

Fifth, continuous system improvement. Continuous improvement encourages the company to conduct analysis and create more competitive and effective ways to achieve company goals and fulfill all the expectations of interested parties by improving the strategy for the better as stated by Mr. (Informant 3) that:

"..... Because Bulog has many competitors, Bulog must continuously improve the system. Of course, Bulog will introspect where its shortcomings are and what improvements are still needed by Bulog. The system currently being run by Bulog is a system that has been running for a long time; the system improvements that Bulog has carried out are that Bulog is now carrying out commercial services, having its brand, namely "our" brand products, which are indeed unsubsidized brands. have their brand."

In this case, Bulog has created competitive and more effective ways to achieve Bulog's goal of becoming a superior and trusted food company in supporting food sovereignty. Next, teamwork. Cooperation is something that every organization or company must have in order to achieve company goals. A good company is a company that has cooperation between employees and managers and cooperation in solving
problems. This is in line with what was expressed by the mother (Informant 4) as the Head of the Accounting, Risk Management, and Compliance Section who said that:

“....if Bulog faces a problem, then this will be communicated directly to the parties concerned; for example, if there is a supplier who provides food that violates the standard, the warehouse department will communicate the problem to the head of the warehouse, then the head of the warehouse will communicate it to the deputy's head, or The head will then be followed up, usually in the form of a warning letter.”

Next, education and training. The development of the company is closely related to the level of ability of its employees to carry out their duties as well as possible; today, many companies do not consider the company a school or a place to learn and develop for their employees; they only assume that the workforce needed is skilled and ready to use, even though education and training are needed so that the company can continue to grow following the changing times.

So far, Bulog continues to provide education and training for every employee, both new and old, based on what Mrs. (Informant 2) from the HR department said:

“....There are many kinds of training available at Bulog. Some are from government agencies, and some are organized by Bulog, depending on the field occupied. For example, the sales department is included in good training excellent marketing that listens to customers. There is also an LPJK whose name is included in the HR department to certify that we are worthy of becoming a committee for the procurement of goods and services from government agencies; every section head must attend youth managerial training. Bulog has Bulog korpu, a kind of place for training such as ISO training, and others. Sometimes presenters from outside too...”

Bulog carries out education and training activities organized by Bulog and includes its employees in education and training organized by government institutions. Eighth, scientific approach. The decision-making process and problem-solving related to the problems faced by Bulog take a scientific approach. By registering all companies that work with Bulog, Bulog can find out and develop future business plans, as stated by the Head of the Bulog Warehouse (Informant 3) that:

“......Statistical data shows that Bulog does not need to import rice because there are still many rice stocks in warehouses, but Bulog still needs to absorb rice from domestic farmers.”
This shows that BULOG uses data to determine future business plans. The data is used to solve existing problems. Then, controlled freedom. The freedom that arises from such involvement and empowerment is the result of a well-planned and implemented control. In this case, the employee is free to convince everyone to follow the standard procedure. Based on what has been said by the mother (Informant 2) as the Head of the HR Section that:

“......The company wants the employee position to be there until old age; currently, we are in this field, but maybe I am a law graduate but must know finance and accounting. Children of mechanical engineering are also like that, so Bulog wants all individuals to master all fields; for example, young employees here are constantly rotated so that each can master a field, so that later if Bulog faces a problem, every employee can help in finding solutions...”

Bulog conducts work rotations so that all employees gain experience in their respective fields to play an active role in solving problems they face later. Next, unity of purpose. In order for Total Quality Management to be adequately implemented, the company must have a unified goal. Thus, every effort can be directed towards the same goal. However, this unity of purpose does not mean that there must always be an agreement or agreement between management and employees. For example, regarding wages and working conditions, in line with what mother (Informant 4) as Head of Accounting, Risk Management, and Compliance said that:

“...Each individual certainly has their own goals, but BULOG can unite each goal into a common goal, BULOG provides what employees need, and employees provide what BULOG needs...”

After that, the researchers described the research results on the managerial performance variable of Bulog subdivide Makassar. As we have seen, Bulog Makassar Subdivre is a State-Owned Enterprise whose task is to provide food supply services to the general public. In carrying out its duties, the company implements a customer service strategy which includes a Relationship Marketing strategy, a Superior Customer Service strategy, an Unconditional Guarantee/Extraordinary guaranteed strategy, a complaint handling strategy, and a performance improvement strategy. Every employee tries to carry out their duties well in providing the best service to produce the best quality. Besides that, the managerial also provides policies such as providing various conveniences to customers who have complaints, can directly contact the call center of Perum Bulog subdivide Makassar.

Perum Bulog, in carrying out its duties to provide food supply services to the community Perum Bulog Subdivre Makassar is required to work hard in carrying out
tasks as it should produce quality both for product and quality of managerial performance. For this reason, companies must improve managerial performance and improve the quality of their services. Therefore, the best approach used to improve the quality of managerial performance is Total Quality Management. Because Total Quality Management is a structured system to improve managerial performance by continuously improving the activities of receiving rice supplies, storing, caring for, and distributing rice, re-planning company strategies, employee performance, and product quality to increase customer satisfaction. Based on interviews conducted by researchers, Bulog has standards in accepting rice suppliers, such as 14% moisture content, 20% broken or broken rice, and 5% groats or small rice. The bulog also treats rice that has been received from the supplier by spraying pests. Employee performance is also monitored through Individual Key Performance (KPI).

With the implementation of Total Quality Management at Perum Bulog Subdivre Makassar, Bulog can improve its managerial performance to provide the best quality to the community by improving service strategies, quality of work, and company strategies. This is also related to goal setting, which is the leading theory in this research. Goal setting is a process that involves superiors and subordinates together in determining the work goals to be carried out. Almost all of the characteristics of TQM are related to good relationships between managers and employees. Such as focus on customers where if there are customers who complain, then employees will communicate it with superiors to solve the problem, as well as an obsession on quality, teamwork, continuous system improvement, education and training, unity of purpose, and overall employee involvement. In line with this, previous research conducted by Mardiyah & Listianingsih (2005) showed that Total Quality Management influences Managerial Performance.

**Conclusion**

This study analyzes the application of Total Quality Management to improve managerial performance at Perum Bulog Subdivre Makassar. Based on the study results, it can be concluded that Total Quality Management or integrated quality management is a structured system used to improve managerial performance. Companies very well use total Quality Management in advancing their companies and improving company performance to achieve goals. Because in Total Quality Management there are improvements to the company's vision, mission, and strategy to be even better, the existence of teamwork and a focus on customer satisfaction makes all employees work together and try to do better in carrying out their duties so that managerial performance can be achieved. Increase. This research hopes that Perum Bulog Subdivre Makassar will continue to use Total Quality Management as a structured system with more leverage for
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the following years. In addition, Perum Bulog Subdivre Makassar needs to increase the use of the Bulog website to increase customer satisfaction and keep up with the increasingly rapid developments of the era with the internet. Meanwhile, for further research, it is hoped that it can be carried out on private companies because SOEs have SOPs that the government binds.

References


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