

The Effect of Total Quality Management (TQM) on Employee Performance with Employee Satisfaction As a Mediating Variable In Manufacturing Companies

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ABSTRACT

This study aimed to determine the effect of Total Quality Management (TQM) on Employee Performance with Employee Satisfaction as a Mediating Variable in Manufacturing Companies. This type of research uses quantitative research. The population in this study consisted of employees of manufacturing companies in Padang City, totaling 530 people. The sampling technique used proportionate stratified random sampling, totaling 147 people. Data collection using a questionnaire. The analysis method uses Partial Least Square using Smart PLS. The results showed that The influence of information processing in this review indicates that (1) Leadership has a positive and significant influence on employee satisfaction. (2) Education and training have no significant effect on employee satisfaction. (3) Teamwork has no significant effect on employee satisfaction. (4) Employee relations positively and significantly influence employee satisfaction. (5) Employee satisfaction positively and significantly influences employee performance. (6) Leadership has no significant effect on employee performance. (7) Education and training has a positive and significant influence on employee performance. (8) Teamwork has no significant effect on employee satisfaction. (9) Employee relations positively and significantly influence employee performance.

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INTRODUCTION

Operations management in an organization has a vital role in creating profitability and sustainability. In the context of corporate strategy, the application of operations management is aimed at increasing productivity through increasing the added value of products and services produced in each production process so as to produce optimal company performance (Rizkia et al., 2024). One of the efforts that can be made by companies in increasing their productivity is through proper resource management, so that they can produce outputs (goods and services) with the right quality, in the right amount, in the right time frame, and at the right cost (Sari & Surachman, 2018).

TQM is a concept used by organizations to maintain competitive advantage and ensure the effectiveness of company operations (Sari & Surachman, 2018). The implementation of TQM is carried out as one of the company's strategies in producing good service performance, so that its implementation is oriented towards customer satisfaction and involves all company members including employees. From here, it can be said that TQM practices are aimed at making continuous improvements to products or services, human resources, processes and the environment, so that they can produce the best quality and excel in competition. (Setiawan, 2021)

Related to employee performance, basically the implementation of TQM which is carried out in a planned and directed manner is expected to help in increasing employee productivity and performance. Therefore, companies need to create an appropriate performance measurement system to determine the characteristics and quality of performance and identify actions that can be taken in an effort to increase employee productivity. The more often a company measures employee performance, the more the company will improve the performance of its employees, and the improved performance will have an impact on improving the quality of the company. (Orlando & Saktia, 2022)

Empirically, the results of studies on the impact of TQM implementation on employee performance shown by (Wardhani et al., 2013) have found evidence that the application of TQM is able to improve organizational performance as reflected in efficiency and productivity. In contrast, the findings of (Sari & , Surachman, 2018) show that TQM does not have a positive and significant influence on employee performance. From these research findings, it is known that the implementation of TQM can affect employee performance, although the effect may be different in each company. The application of Total Quality Management techniques is a new paradigm in running a business that seeks to maximize organizational competitiveness through: customer satisfaction, employee satisfaction, continuous improvement of product quality, service, human resources, processes and organization and environment (Bintang & Ramlawati, 2023).

In Manufacturing Companies in Padang City, Total Quality Management has been implemented with the dimensions of leadership, education and job training, teamwork, and employee relations, but in its application, it has not been implemented effectively. Therefore, in this study, researchers are interested in conducting research again to find out what causes the application of total quality management not to be carried out effectively. One of the manufacturing companies in West Sumatra, PT Kunango Jantan, is a company engaged in manufacturing and trading that focuses on providing, ordering, and distributing ready-made steel and concrete plates for the construction, electricity, mining, telecommunications, and transportation industries. The research conducted by (Dedy et al., 2016) states that a significant relationship exists between TQM, process innovation, and employee performance. The results show a positive correlation between the dimensions of TQM practices. In addition, a strong correlation appears between the dimensions of TQM practices and EP. Furthermore, it is proven that there is a direct positive relationship between TQM and process innovation, TQM and employee performance, and process innovation and employee performance. Research proposed by (Hartono & Rotinsulu, 2015) which concluded that leadership style variables have a positive and significant influence on employee performance both partially and simultaneously.

LITERATURE REVIEW

Total Quality Management (TQM)

Total Quality Management (TQM) is a well-known management philosophy that has gained popularity as a catchphrase as more businesses use it to obtain a competitive edge in the marketplace. (Huachun Wang, et al, 2012). As a customer-focused management concept, Total Quality Management (TQM) comprises enhancing business processes, applying Statistical Process Control (SPC), determining essential procedures, and producing quality to embrace the business. (Tetik & Karahan, 2012). TQM is also a business method that aims to increase the company's competitiveness by continuously enhancing its goods, services, personnel, operational procedures, and external surroundings. (Bahri et al., 2012). Put another way, to increase service quality, all firm operations must be focused on accomplishing the organization's objectives, and every employee must be dedicated to Total Quality Management (TQM).

According to (Arbangi, 2016), When it comes to implementing public service and community development, total quality management is functional management with an ongoing focus on quality improvement. This ensures that the product meets the quality criteria of the community it serves. The idea originates from management, a procedure or actions to combine the owned resources. Management functions must also be phased in to realize work as an activity generated following

quality. This is known as total quality management or TQM. Teamwork, employee relations, leadership, and education and training are the facets of Total Quality Management.

Leadership

Leadership is a management function that influences, directs, motivates, and supervises others to complete tasks planned to achieve organizational goals and objectives. (Hawi et al., 2015). One of the managerial responsibilities is to lead, inspire, encourage, and oversee others as they carry out specified duties to meet the goals and objectives of the organization. Since leadership is essential to an organization's or company's success, it is the most significant factor in that entity.

Leadership is an activity that influences the behavior of others so that they can be directed to achieve specific goals. Leadership is the ability to mobilize or motivate many people to simultaneously carry out the same activities and be directed toward achieving their goals. Leadership is also the process of moving a group or groups in the same direction without coercion. Leadership is the essence of management. With good leadership, the management process will run smoothly, and employees will be passionate about their duties. Work passion, work productivity, and the management process of a company will be good if the type, style, manner, or style of leadership applied by the manager is good. Strictly speaking, whether good or bad, whether or not the goals of a company are achieved is largely determined by the manager's ability to carry out his leadership to mobilize his subordinates. The skills and authority of a manager to carry out his leadership will encourage subordinates' work passion, creativity, participation, and loyalty to complete their tasks. A leader is a person, while leadership is the style of a manager who directs, coordinates, and fosters his subordinates to want to work together and work productively to achieve company goals. (Syahril, 2019)

Training and Education

Education is a conscious and planned effort to create a learning atmosphere and learning process for students to actively develop their potential for religious spiritual strength, self-control, personality, intelligence, noble character, and skills needed by themselves and society. Training is also a learning effort organized by both government organizations and non-governmental organizations or companies to meet organizational needs and achieve organizational goals. Training as part of education that contains a learning process to acquire and improve skills, a relatively short time and a method that prioritizes practice over theory. (Hawi et al., 2015)

For students to actively develop their potential for having religious spiritual strength, self-control, personality, intelligence, noble character, and skills needed by themselves and society, education is an intentional and organized endeavor to create a learning atmosphere and learning process. One way to understand the notion of education is as a deliberate and methodical endeavor to advance or raise one's standard of living. The definition of education is the process of teaching pupils to comprehend and develop their critical thinking skills. According to Ruky in (Evert Fandi Mandang, Bode Lumanauw, 2017) Education/learning is an action taken by employees in an effort to master certain skills, knowledge, and attitudes that result in relatively permanent changes in their work behavior. Thus the educational objectives that the company wants to achieve are: (1) The employee can deepen the theory of solving cases; (2) Employees are expected to make the right decisions; (3) It is expected that employees can make the right policies; (4) Can review decisions and policies that the company has made; (5) It is expected that coordination will be better between departments within the company.

Teamwork

The ability of individuals to cooperate well in achieving the goals and objectives of the team and its members are able to participate in the team and get satisfaction in the team, characterized by having goals, understanding roles and tasks, trusting and helping fellow employees. (Purwanto et al., 2023)

Teamwork is derived from the word team which means together, everyone which means working together. Which means that a job that is done by working together will certainly be able to

achieve good results. According to (Sopiah, 2018) in (Dira, 2020) a work team generates positive synergy through coordinated efforts. Employees' individual efforts produce a performance greater than the sum of these individual inputs.

Employee Relations

According to Noe et al (2010; 493), in (Angelina, 2015), coworkers can bring different points of view to the evaluation process, which can be valuable in obtaining a comprehensive picture of individual performance. Robbins & Judge (2008, 40) in (Angelina, 2015), today's dynamic world of work, where tasks are increasingly being done in groups, organizations need employees who will demonstrate "good citizenship" behavior.

Organizations have several forms of peer relationships according to Siwi Ultima Kadarmo (2001: 15-16) in (HAFIS, 2017), namely: (a) Vertical Working Relationships are working relationships between leaders and subordinates. (b) Horizontal Working Relationships are working relationships between officials at the same level or echelon; (c) Diagonal Working Relationships are working relationships between officials with different parent work units and different levels or echelons; (d) Functional Working Relationships are working relationships between units or officials who have the same field of work; (e) Informative Working Relationships are working relationships carried out to provide and obtain information between units or fields; (f) Consultative Working Relationship is a working relationship between officials who, because of their position, are interested in consulting; (g) Directive Working Relationship is a working relationship between unit leaders; (h) Coordinative Working Relationship is a working relationship between officials that is intended to integrate, harmonize and harmonize various interests and activities that are interrelated.

Employee Performance

An organization's or corporate agency's performance is a crucial component. As indicated in the organization's strategic plan, performance can be understood as a measure of how well the company's goals, objectives, mission, and vision are being implemented. The actual behavior that each person exhibits as a result of their job accomplishments, as determined by their position within a corporation or organizational agency, is known as employee performance. One of the most crucial elements in a business's or organization's attempts to boost productivity is good staff performance. (Hardhiyanti et al., 2022)

An employee's performance in a company or organizational agency is an individual thing, because each employee has a different level of ability in doing his job. Fahmi says, "Performance is the result obtained by an organization, whether the organization is profit-oriented and non-profit oriented, which is produced during one period of time." Uno and Lamatenggo, "Performance is a person's activity in carrying out the main tasks assigned to him". (Nasution, 2019)

Job Satisfaction

A compelling or emotional reaction to different facets of work is job satisfaction. A collection of sentiments held by employees regarding the enjoyment of their work. A broad perspective on one's work demonstrates the discrepancy between the amount of gratitude employees receive and what they feel they should receive. (Siagian & Panjaitan, 2019)

Job satisfaction is an employee's attitude towards work related to work situations, cooperation between employees, rewards received at work, and matters concerning physical and psychological factors (Hidayati, 2016). According to (Handoko & Rambe, 2018) Defines job satisfaction as an employee's income that is pleasant or not about his job. This feeling can be seen from the employee's good behavior towards work and all things experienced in the work environment.

Thus, it can be said that job satisfaction is an employee's positive attitude, including their sentiments and conduct toward their work, as determined by an evaluation of one's employment as a sign of gratitude for accomplishing a key work-related value.

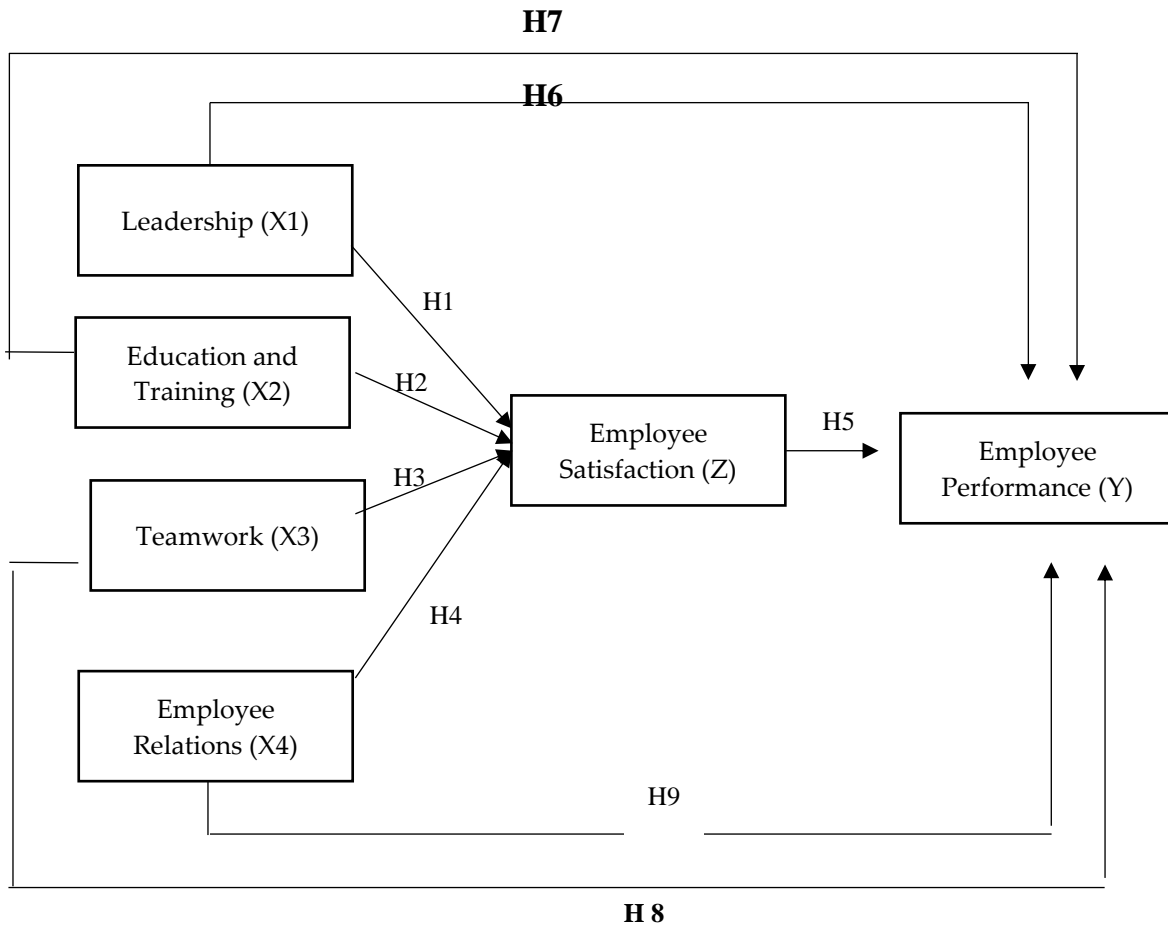


Figure 1. Conceptual Framework

METHOD

This study used quantitative research because the data used in this study were in the form of numbers. In order for this research to be directed and close to what is expected, The purpose of this study was to determine the effect of Total Quality Management (TQM) on Employee Performance with Employee Satisfaction as a Mediating Variable in Manufacturing Companies. The population in this study were employees of manufacturing companies in Padang City totaling 530 employees. The sample of this research is 147 employees in manufacturing companies. The sampling technique in this study was a non-probability sampling technique. Collecting data using a questionnaire with a Likert scale. The analysis technique used is Smart-PLS 4 software. The sampling technique in this study used a purposive sampling method, namely a sampling technique with certain considerations. The data used in this study were obtained through primary data. Primary data was obtained directly by distributing questionnaires to employees of manufacturing companies in Padang City which contained answers regarding Total Quality Management (TQM) with dimensions of leadership, education and training, teamwork, and employee relations., employee performance and employee satisfaction. Data analysis techniques using descriptive statistical analysis techniques. The first descriptive analysis provides an empirical or descriptive description of the data collected in the study. The data comes from the respondents' answers to the items contained in the questionnaire which are grouped and tabulated and then processed using the PLS software program.

RESULT AND DISCUSSION

Outer Model (Measure Model)

An analytical method known as the Outer Model in PLS is used to examine how each research indication relates to its latent variable. Validity and reliability tests make up this outer model measurement. Tests for validity and reliability seek to ascertain if research tools are capable of measuring the appropriate things. Conversely, the reliability test seeks to ascertain the degree of consistency between the measuring tool and participants in responding to research instrument questions.

1. Validity Test

Furthermore, convergent validity is also tested through the AVE value with the condition that the AVE value is > 0.5 . The following is how the AVE value appears in the table below:

Table 1. Average Variance Extracted (AVE)

Variabel	Average Variance Extracted (AVE)
Leadership (X1)	0.682762
Education and Training (X2)	0.703502
Teamwork (X3)	0.700821
Employee Relations (X4)	0.656946
Employee Satisfaction (Z)	0.746481
Employee Performance (Y)	0.770576

Source: Processed Primary Data (2024)

Table 2 shows that the AVE value for each variable has a value greater than 0.5, so this study has met two convergent validity requirements. So it can be concluded that this study has achieved good convergent validity.

2. Reliability Test

Reliability test is used to measure the consistency of the measuring instrument even if the measurement is repeated. Reliability test in PLS can be measured using two methods, namely Cronbach's alpha and composite reliability with the rule of thumb that alpha and composite reliability values greater than 0.7 and 0.6 are still acceptable (Hair et al., 2010).

Table 2. Cronbach's Alpha dan Composite Reliability

Variable	Cronbach's alpha	Composite reliability	Keterangan
Leadership (X1)	0.887386	0.916675	Reliable
Education and Training (X2)	0.892821	0.897721	Reliable
Teamwork (X3)	0.817205	0.832279	Reliable
Employee Relations (X4)	0.869387	0.877902	Reliable
Employee Satisfaction (Z)	0.915638	0.927689	Reliable
Employee Performance (Y)	0.915638	0.927689	Reliable

Source: Processed Primary Data (2024)

Based on the results of data processing, the Cronbach's Alpha and Composite Reliability values of each research variable have exceeded 0.7. In accordance with the provisions previously mentioned, all variables in this study are declared reliable.

Structural Model Test (Inner Model)

This inner model test analysis aims to investigate the interrelationships between the variables under investigation. The existence of this inner model is shown by the R-Square value. The degree to which the independent variable may affect or explain the dependent variable is shown by the PLS R-Square value. Recall that the dependent variable is the only source of the R-Square value. A variable's

R-Square value indicates how well the model is. The R-Square computation on the study's dependent variable produced the following results:

Table 3. R Square

	R-square	R-square adjusted
Employee Satisfaction (Z)	0.178358	0.159578
Employee Performance (Y)	0.796564	0.790718

Source: *Processed Primary Data (2024)*

Table 6 shows that the employee satisfaction variable has an R-square value of 0.178. These results indicate that the variables of leadership, education and training, teamwork, employee relations have a contribution of 17.8% to the employee satisfaction variable. While the R-square value on the employee performance variable is 0.796. These results indicate that the variables of leadership, education and training, teamwork, employee relations and employee satisfaction have contributed 79.6% to the employee performance variable.

Direct Effect

Latent variable significance levels and path coefficient values are used to test the hypothesis. P-Value with a value less than 0.05 is used to determine significance (Ghozali, 2008). The data from the results of testing the direct effect hypothesis are as follows:

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Leadership -> Employee Satisfaction	0.182281	0.178395	0.083888	2.172.900	0.029835
Education and Training -> Employee Satisfaction	-0.040700	-0.035113	0.098458	0.413369	0.679354
Teamwork -> Employee Satisfaction	0.138196	0.149194	0.090655	1.524.414	0.127469
Employee Relations -> Employee Satisfaction	0.481430	0.475275	0.139839	3.442.737	0.000581
Employee Satisfaction -> Employee Performance	0.820135	0.814603	0.063577	12.899.808	0.000000
Leadership -> Employee Performance	0.006823	0.011301	0.074996	0.090979	0.927513
Education and Training -> Employee Performance	0.272570	0.278002	0.072705	3.748.959	0.000180
Teamwork -> Employee Performance	0.100182	0.103578	0.070864	1.413.728	0.157504
Employee Relations -> Employee Performance	0.258215	-0.262961	0.076379	3.380.723	0.000728

Note : ***signifikasi <0,05 **signifikasi <0,01

The effect of leadership on employee satisfaction shows a value of 2.172 greater than the t-table 1.96 and a p-value of 0.029 less than 0.05. So it can be said that leadership has a positive and significant influence on employee satisfaction. Other research results Leadership has a direct, positive, and significant effect on Employee Satisfaction. This can be seen from the positive path coefficient of 0.230 with a C.R. value of 3.328 and obtained a significance probability of 0.000 which is smaller than the significance level determined at 0.05. (Kurniawan, 2012)

The results obtained, the t-statistic value has a value of 0.413 smaller than the t-table 1.96 and a p-value of 0.679 greater than 0.05. So it can be said that education and training do not have a positive and significant effect on employee satisfaction. This is in accordance with research conducted by (Pingsan & Elisabeth, 2016) that training has no significant effect on employee satisfaction at PT United Tractors Manado Branch. Other research.

Based on the t-statistic value has a value of 1.524 smaller than the t-table 1.96 and a p-value of 0.127 greater than 0.05. So it can be said that teamwork does not have a significant influence on employee satisfaction. In line with research conducted by (Murtaza ZD, Rizka Wanti Anegrah Pane, 2023) there are results that there is no effect of teamwork on employee job satisfaction at PT Socfindo Perkebunan Seumayam Nagan Raya.

Based on the t-statistic value, the value of 3.442 is greater than the t-table 1.96 and the p-value of 0.000 is smaller than 0.05. So it can be said that employee relations have a positive and significant influence on employee satisfaction. Other research conducted by (Turisna, 2013) from this study, it was concluded that there was a significant influence between employee relations and employee satisfaction at PT Agung Automall Pekanbaru.

Based on the t-statistic value, the value of 12.899 is greater than the t-table 1.96 and the p-value of 0.000 is smaller than 0.05. So it can be said that employee satisfaction has a positive and significant effect on employee performance. In line with research conducted by (Salsabilla, 2022) it was found that employee job satisfaction has an influence on employee performance at PT KWS. Other research conducted by (Suryadi & Kartono, 2022) obtained research results with a partial T-test and stated that employee satisfaction has a positive and significant effect on employee performance.

Based on the t-statistic value has a value of 0.090, smaller than the t-table 1.96, and a p-value of 0.927 greater than 0.05. So it can be said that leadership has no significant effect on employee performance. From the results of research conducted by (Marjaya & Pasaribu, 2019), it shows that leadership variables have a negative and insignificant effect on employee performance.

Based on the t-statistic value has a value of 3,748 greater than the t-table 1.96 and a p-value of 0.000 smaller than 0.05. So it can be said that education and training have a positive and significant effect on employee performance. In line with the research (Indra Syahputra & Jufrizen, 2019) education and training variables partially have a positive but insignificant effect on employee performance variables.

Based on the t-statistic value, it has a value of 1.413, smaller than the t-table 1.96, and a p-value of 0.157 greater than 0.05. So it can be said that teamwork does not have a significant influence on employee satisfaction. In line with research conducted by (Febriyanti Simatupang, 2019) teamwork has no positive effect on employee performance at the Pematangsiantar International Restaurant and Convention Hall.

Based on the t-statistic value, the value of 3.380 is greater than the t-table 1.96 and the p-value of 0.000 is smaller than 0.05. So it can be said that employee relations have a positive and significant influence on employee performance. In line with research conducted by (Lumban Gaol, 2023), The results in this study are: Employee Relationship Variables have a significant influence on Employee Performance. Employee Welfare has a significant effect on employee performance.

DISCUSSION

This study examines the effect of Total Quality Management (TQM) on employee performance with employee satisfaction as a mediating variable in manufacturing companies in Padang City. Based on the formulation of the problem and has been processed using the smartPLS 4.0 application, it can be discussed as follows:

Effect of Leadership on Employee Job Satisfaction in manufacturing companies in Padang City.

The effect of leadership on employee satisfaction shows a value of 2.172 greater than the t-table 1.96 and a p-value of 0.029 less than 0.05. So it can be said that leadership has a positive and significant influence on employee satisfaction. This happens because the application of Total Quality Management (TQM) is a management approach that focuses on continuous improvement in quality and customer satisfaction. It involves all employees in the company working together to improve processes, products, services, and overall organizational culture. When leadership variables are effectively applied in TQM, the result is increased employee satisfaction. Employees feel valued and included when they are involved in the decision-making process and have the opportunity to contribute to the progress of the organization. This sense of ownership and empowerment leads to higher levels of job satisfaction and

commitment to the company. Other research results Leadership has a direct, positive, and significant effect on Employee Satisfaction. This can be seen from the positive path coefficient of 0.230 with a C.R. value of 3.328 and obtained a significance probability (p) of 0.000 which is smaller than the significance level (α) determined at 0.05. (Kurniawan, 2012). Other research results test the significance of leadership on employee job satisfaction, it is known that the tcount is 11.454 with a t table of 1.664, meaning that leadership has a positive influence on employee job satisfaction (Tanjung & Frinaldi, 2023)

In conclusion, the application of TQM with leadership variables has a positive and significant effect on employee satisfaction. Effective leadership that communicates, empowers, supports, and provides a clear vision for TQM fosters a culture of quality and continuous improvement. This, in turn, leads to higher levels of job satisfaction, commitment, and well-being among employees. Organizations that prioritize TQM and leadership development will see the benefits of increased employee satisfaction and improved performance in the long run.

The effect of Education and Training on Employee Job Satisfaction in manufacturing companies in Padang City.

The results obtained, the t-statistic value has a value of 0.413 smaller than the t-table 1.96 and a p-value of 0.679 greater than 0.05. So it can be said that education and training do not have a positive and significant influence on employee satisfaction. Total Quality Management (TQM) is a management approach that focuses on continuous improvement in processes and products to increase customer satisfaction. In the context of education and training variables, TQM is applied to improve employee skills and knowledge, resulting in better job performance and satisfaction. However, research shows that the application of TQM on education and training variables may not always have a significant impact on employee satisfaction.

Several factors may contribute to the lack of significant influence of TQM on employee satisfaction in this context. One reason is the quality of education and training programs implemented in an organization. If these programs are not well designed or effectively implemented, employees may not see the benefits of applying TQM principles in their work. This is in accordance with research conducted by (Pingkan & Elisabeth, 2016) that training has no significant effect on employee satisfaction at PT United Tractors Manado Branch. Other research

The effect of Teamwork on Employee Job Satisfaction in manufacturing companies in Padang City.

Based on the t-statistic value has a value of 1.524 smaller than the t-table 1.96 and a p-value of 0.127 greater than 0.05. So it can be said that teamwork has no significant effect on employee satisfaction.

One possible explanation for the lack of significant impact of teamwork on employee satisfaction in TQM implementation is the presence of other factors that may mask the effect of teamwork. For example, individual recognition, job security, work-life balance, and organizational culture are also determinants of employee satisfaction. If these factors are not adequately addressed, the benefits of teamwork may be reduced. Another reason for the limited impact of teamwork on employee satisfaction in TQM implementation could be the quality of teamwork itself. In some cases, teams may face challenges such as conflict, lack of coordination, and poor leadership, which may hinder their effectiveness and ultimately affect employee satisfaction. Therefore, it is important for organizations to focus not only on increasing teamwork but also on improving the quality of teamwork through proper training, communication, and support.

In line with research conducted by (Murtaza ZD, Rizka Wanti Anegrah Pane, 2023) there are results that there is no effect of teamwork on employee job satisfaction at PT Socfindo Seumayam Plantation Nagan Raya. In conclusion, although teamwork is an important aspect of TQM that is believed to increase employee satisfaction, its impact may not always be significant. It is important for organizations to consider the various factors that affect employee satisfaction and address them effectively to create a positive work environment. By focusing on continuous improvement and addressing the root causes of dissatisfaction, organizations can maximize the benefits of TQM and create a workplace where employees are motivated, engaged and satisfied.

The effect of Employee Relations on Employee Job Satisfaction in manufacturing companies in Padang City.

Based on the t-statistic value, the value of 3.442 is greater than the t-table 1.96 and the p-value of 0.000 is smaller than 0.05. So it can be said that employee relations have a positive and significant influence on employee satisfaction. One important aspect of TQM is the relationship between employees, because it has a significant influence on employee satisfaction. When employees have positive relationships with their coworkers and superiors, they will be more satisfied with their jobs and perform at a high level. Employee relations is an important component of TQM because it affects communication, teamwork, and the overall work environment. When employees have good relationships with each other, they tend to collaborate effectively, share knowledge, and support each other in achieving common goals. This leads to higher job satisfaction and better performance, as employees feel valued and respected by their peers. Other research conducted by (Turisna, 2013) From this study it was concluded that there was a significant influence between employee relations on employee satisfaction at PT Agung Automall Pekanbaru.

The effect of Employee Job Satisfaction on employee performance in manufacturing companies in Padang City.

Based on the t-statistic value has a value of 12.899 greater than the t-table 1.96 and a p-value of 0.000 less than 0.05. So it can be said that employee satisfaction has a positive and significant effect on employee performance. Components of TQM variables that contribute to employee satisfaction include leadership commitment, employee engagement, continuous training, communication, and recognition. When these variables are effectively implemented, employees feel valued, engaged, and motivated to do their best. This, in turn, leads to improved employee performance and overall organizational success. Research shows that there is a strong correlation between employee satisfaction and performance. Satisfied employees are more loyal to the organization, show higher levels of commitment, and have lower turnover rates. This results in increased productivity, better work quality, and higher levels of customer satisfaction. In line with research conducted by (Salsabilla, 2022), it was found that employee job satisfaction has an influence on employee performance at PT KWS. Other research conducted by (Suryadi & Kartono, 2022) obtained research results with a partial T test and stated that employee satisfaction has a positive and significant effect on employee performance.

The Effect of Leadership on Employee Performance in Manufacturing Companies in Padang City.

Based on the t-statistic value has a value of 0.090 smaller than the t-table 1.96 and a p-value of 0.927 greater than 0.05. So it can be said that leadership has no significant effect on employee performance. This is in line with Refina (2020: 24) and Nasution (2020: 7) which state that leadership style has no effect on employee performance. From the results of research conducted by (Marjaya & Pasaribu, 2019), it shows that leadership variables have a negative and insignificant effect on employee performance. There are several reasons why TQM variables related to leadership may not have a significant effect on employee performance. First, it is important to note that leadership is just one of many factors that influence employee performance. Other factors such as organizational culture, employee motivation, and job design also play an important role in determining employee performance. Therefore, even if leaders demonstrate TQM principles, it may not be enough to significantly improve employee performance.

The Effect of Education and Training on Employee Performance in Manufacturing Companies in Padang City.

Based on the t-statistic value has a value of 3,748 greater than the t-table 1.96 and a p-value of 0.000 less than 0.05. So it can be said that education and training have a positive and significant effect on employee performance. In line with research (Indra Syahputra & Jufrizen, 2019) education and training variables partially have a positive but insignificant effect on employee performance variables. One of the main objectives of TQM is to continuously improve processes and systems within an organization. By providing the necessary education and training to employees, they become more knowledgeable about TQM principles and practices. This allows them to actively participate in quality improvement initiatives and contribute to the overall success of the organization.

The Effect of Teamwork on Employee Performance in Manufacturing Companies in Padang City.

Based on the t-statistic value, the value of 1.413 is smaller than the t-table of 1.96 and the p-value of 0.157 is greater than 0.05. So it can be said that teamwork does not have a significant influence on employee satisfaction. In line with research conducted by (Febriyanti Simatupang, 2019) teamwork has no positive effect on employee performance at the Pematangsiantar International Restaurant and Convention Hall. Teamwork is a fundamental concept in TQM because it encourages collaboration, communication, and cooperation between team members. By working together towards a common goal, teams can utilize individual strengths and skills to complete tasks more efficiently and effectively. This, in turn, can lead to improved performance and productivity in the organization. Despite the importance of teamwork in TQM, several studies have found that teamwork does not always have a significant influence on employee performance. This can be due to various factors such as team composition, leadership dynamics, communication barriers, or conflicting priorities among team members. In some cases, teamwork can even lead to inefficiencies and hinder individual performance if not managed properly.

The Effect of Employee Relations on Employee Performance in Manufacturing Companies in Padang City.

Based on the t-statistic value has a value of 3.380 greater than the t-table 1.96 and a p-value of 0.000 less than 0.05. So it can be said that employee relations have a positive and significant influence on employee performance. In line with research conducted by (LUMBAN GAOL, 2023). The results in this study are: Employee Relationship Variables have a significant influence on Employee Performance. Employee Welfare has a significant effect on employee performance. The application of TQM by paying attention to employee relations variables has been shown to have a significant effect on employee performance. If employee relations within the organization are well established, a harmonious and cooperative work environment will be created. Employees will feel valued, supported, and motivated to make their best contribution in achieving common goals. Thus, employee performance can increase significantly. Thus, the application of TQM by paying attention to employee relations variables has a significant influence on employee performance. Good relationships between employees will create a productive, harmonious, and motivational work environment. Therefore, organizations need to pay attention and develop relationships between employees as one of the strategies to improve overall employee performance.

CONCLUSION

Based on the analysis and discussion in the previous section, the following conclusions can be drawn: (1) Leadership hypothesis has a positive and significant effect on employee satisfaction. (2) Education and training do not have a significant effect on employee satisfaction. (3) Teamwork does not have a significant effect on employee satisfaction. (4) Employee relationship hypothesis has a positive and significant effect on employee satisfaction. (5) Employee satisfaction has a positive and significant effect on employee performance. (6) Leadership does not have a significant effect on employee performance. (7) Education and training have a positive and significant effect on employee performance. (8) Teamwork does not have a significant effect on employee satisfaction. (9) Employee relations have a positive and significant effect on employee performance.

Researchers suggest to the company Establish a culture of quality Manufacturing companies need to build a strong culture of quality throughout the organization. This can be done by providing training and socialization on the importance of quality, involving employees in quality-related decision making, and rewarding employees who excel in improving quality. This research is only limited to manufacturing companies in Padang City, so the authors suggest expanding the object to companies engaged in other fields in Padang City.

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