

"Soft" TQM and Performance of Local Government (A Case Study of Municipality of Tirana, Albania)

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Abstract

Nowadays, the philosophy of organizational management with the client at the center of managerial policies and operations, has been mastered not only by profitable organizations but also non-profit ones. Central and local government bodies, mainly in developed countries, have successfully applied consumer-oriented management philosophy. Quality management is one of the disciplines, equipped with all the theoretical and practical arsenal for the successful implementation of this orientation. It is being used as a productive and innovative tool, to achieve the objectives of profit and non-profit organizations. Providing quality services by local units means increasing the satisfaction of service beneficiaries (individual or organization), creating trust through transparent processes, accountability and democratic dialogue. The aim of this study is to assess the level of implementation of "soft" elements of Total Quality Management [TQM] according to the perception of employees in local units in the city of Tirana and its impact on performance.

Keywords: TQM, soft elements, performance, local government

1.1 Introduction

Local institutions offer a variety of services, the importance of which is undisputed for all stakeholders such as firms, institutions and individuals. Precisely for this reason, the focus of their activity should be the improvement of local services towards achieving optimal standards. The Municipality of Tirana is a local institution that offers a large number of services, generally accessible to citizens, physical and legal entities, but also to local visitors and foreign tourists. This institution has its focus on improving the quality of local services towards achieving optimal standards, to become the EU (Municipality of Tirana, 2018).

The Municipality of Tirana, is the largest local unit in the country, serving about 1/3 of individuals and companies operating in the country. According to data from the Institute of Statistics for regional GDP, the Tirana region is the engine of the Albanian economy, generating over 36% of the value added at the national level (INSTAT, 2018). In the Municipality of Tirana, a series of initiatives, investments and projects have been undertaken in order to improve services and implant new services, which are specifically expressed in the provision of improved services, accessible services, and integrated services, reducing opportunities for corruption and strengthening ethics in the provision of public services (Tirana Municipality, 2018).

Local government assessment studies show that although service planning and service systems have begun to take root in the municipality, the quality of some of its services have not yet reached the projected levels. Transparency and performance tracking systems are judged to be inappropriate (DAP, 2018). From the global dimensions of local, total quality management results as a successful and widely used tool for improvements in service delivery.

Total Quality Management (TQM) remains one of the most discussed issues to improve quality in the United States as well Europe. Developments and changes in the public sector made the need for quality not just a concern for production. Public institutions are also facing the same reality and challenges as well. In the context of political, socio-economic and demographic changes, the challenge of providing quality services becomes even more important. These developments have also influenced the public organization to consider quality concepts.

Numerous debates have been provoked whether quality concepts from the manufacturing or private sector could be transferred to the public sector. TQM proponents argue that large private companies and large public authorities face the same bureaucratic problems, while critics support the idea

that the private and public sectors operate under different frameworks and conditions (Dobrin, 2008).

The focus on the citizen began to dominate the quality management in the public sector. This new perspective of the needs and requirements of citizens as consumers, developed parallel with the plans for the restructuring of public services, through decentralization.

In Albania, the quality of the public sector is not at satisfactory levels (DAP, 2018).

"Good local government is the backbone of democracy as it directly affects the daily lives of citizens by the way it interacts and serves them. From this perspective, effective local government requires two-way communication between government and citizens (IDRA & Chatterjee, 2018)."

The importance of the role of local government has often been examined by numerous literatures. Numerous theorists take a critical view of centralism and focus on local government as a counterweight or alternative to the growing power of central government. According to Morphet (2008), local government can only be seen or understood within the first state as a whole. The restructuring of local government cannot be undertaken without changing the nature of the general state.

The Municipality has its focus on improving the quality of services it offers towards achieving optimal standards, in order to become a European model capital (Municipality of Tirana, 2019). But given its complexity and high concentration of the population, it makes it difficult to achieve high quality services, pushing the municipality to undertake a series of initiatives, projects and investments that are carried out for the first time, or to improve the existing ones to improve the quality of life and the provision of services for the citizen.

Undoubtedly, a large number of the population has turned Tirana into a city that suffers from concreting and for this reason the municipality has invested in green spaces, as well as in reducing the number of nuclear power plants by creating lanes for citizens who use bicycles, in order to minimize pollution created. This initiative has been joined by well-known figures to raise awareness among citizens. The municipality has also created policies, projects, investment to improve the quality of life of citizens and some of them are:

1.2 TQM in the Municipality of Tirana:

As a local institution, the Municipality of Tirana mentioned in the Star2 Project report, have undertaken a series of initiatives and projects for local services to be effective, quality oriented, participatory and inclusive.

Starting from the main element of TQM, the focus on the citizens [citizens satisfaction], to better understand the citizen [individual or

organizational consumer], the municipality conducts periodic surveys through the Civil Opinions Sector in the Directorate of Communication with Citizens. The perception of the citizen is measured on the changes or improvements of the services provided by the municipality (Municipality of Tirana, 2019). The Municipality of Tirana, with the support of UNDP, uses the Open Data portal, to increase transparency in the municipality and to increase the trust of the citizens (Municipality of Tirana, 2020). Also, a number of departments in the municipality, have included in their strategy the term continuous improvement of quality or to continuously improve the quality of life of the citizen, (Municipality of Tirana, 2020), considering another element of TQM.

Training and conferences conducted to adapt to changes in systems or processes, as well as expand the knowledge of municipal employees, including managers by improving management skills; this is an important part of this to improve the quality of service. Thus, it has been noted to play an important part in TQM.

Benchmarking is another approach used by organizations, adopted by TQM philosophy, which measures performance through the national comparison system for selected administrative/public services [benchmarking]. Benchmarking is often treated as an ongoing process in which organizations constantly seek to challenge their dimensions. The inclusion of such a system allows organizations to develop plans to improve or adopt best dimensions in order to increase performance. (STAR2 Progress Report, 2019). The adoption of such a philosophy shows the adoption of TQM in the municipality of Tirana.

1.3 Total Quality Management Dimensions

As a measure of the "soft" elements of TQM, three dimensions have been selected as the most suitable for the objectives of the study: leadership, human resources and focus on the citizen. Similar selections are found in other analogous studies (Saleh, et. al., 2013).

According to Ishikawa and Deming, leadership together with customer focus make up two key elements of a better implementation of TQM. Human resource management is as well, an important element according to the gurus of TQM, who consider the participation, growth and training of all workforce essential for quality management (Singha, et.al., 2018).

Leadership directly affects the success of TQM by ensuring the TQM concepts can be implemented in the organization, but according to Ishwakwa the senior management level is responsible for cultivating a TQM culture for the organization. High levels of management also play a key role in quality efforts (Hessing, 2018). In the 14 points of Deming, high management functions are explained to create an environment where customers are satisfied, the workforce is trained, involved in decision making and

empowered to contribute to customer satisfaction and continuous improvement. According to Deming, high menagerial level is responsible for 94% of quality-related problems (Deming, 1986). According to the researcher, the inclusion of high managerial level is essential in quality management and consequently the creation of a higher quality performance (Flynn et al, 1995; Ahire et al., 1996; Juran, 1989). The senior management acts as a promoter of TQM implementation, setting values, goals and systems to meet customer needs and expectations and improve organizational performance (Ahire et al., 1996; EFQM Award, MBQA).

Human resource management is a key element, which addresses the effectiveness of human resources in the organization in relation to training and development, teamwork and motivation. Garavan, et al. (2020) argued that human resources have the deepest impact on organizational performance. Human resource development and management is part of the "soft" elements of quality management. This element examines "the effectiveness of the organization's efforts to develop and realize the full potential of the workforce, including management, while maintaining a favorable environment for full participation, quality leadership and organizational growth (Evans & Lindsay 201)".

Customer focus is an element that shows how attentive the organization is to the needs and expectations of the client and how effective it is in terms of managing customer relationships. Conversion of a customer-oriented organization has become one of the main challenges facing organizations today. Adapting and implementing strategies aimed at improving customer satisfaction should be at the heart of any organization (Armstrong, 2006).

All quality experts agree on the importance of exploring customer needs and expectations so that they are satisfied. According to Deming, "the client is the most important part of the production line (Deming, 1986)." Deming encourages organizations to understand the needs and wants of customers in the present and the future, so that products and services can be designed in such a way to meet exactly those needs and wants. He also argues that dissatisfied customers are detrimental to business performance.

1.3.1 Organizational performance

TQM is often used as a multidimensional approach to measuring organizational performance. The Main Performance Results, in the EFQM Excellence Model (2010) are defined as "the measure of the organization's achievements in relation to its planned performance (EFQM, 2010)." The results document the relationship between what organizations do in terms of quality management dimensions and results achieved, results that are obtained in several different ways. Quality assessment models view key organizational

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performance measurements as multiple dimensions, including product and service outcomes, financial and market outcomes, customer-focused outcomes, process effectiveness outcomes, workforce-focused outcomes and leadership outcomes (Jaafreh & Al-abedalla, 2012; Shafiq, et. Al., 2017).

2. Research Methodology

Initially this paper provides a theoretical scheme of the "soft" elements of TQM, analyzing the extent of implementation of these elements and the impact they have on organizational performance. Also, the study made an assessment of the quality of services taking into account the expectations and organizational consumer perceptions, with particular focus on reform in local units in Municipality of Tirana. Specifics of the study undertaken considered the questionnaire as a suitable instrument for collecting primary data. Then the structured questionnaire was used as a research tool. Administration was carried out by field distribution. To assess the level of implementation of the "soft" elements of TQM in the municipality and the impact it has on organizational performance, was distributed in the municipality of Tirana and measured through three independent variables, which were defined as the "soft" dimensions of TQM [leader, human resource practices and citizen focus], as well as the five dependent variables of organizational performance. The data was then analyzed with SPSS-AMOS software.

2.1 Study Population

For the evaluation of "soft" dimensions of TQM, the Municipality of Tirana has been elected as a representative. Questionnaires were distributed by hand to each respondent and collected later after their completion. A total of 260 questionnaires were distributed, 11 of which were returned to unfilled. This number was calculated based on the formula.

2.2 Analysis and Results

Initially, this analysis was subjected to 30 questions, which were constructed to measure the level of 'soft' TQM in the Municipality. The appropriateness of the data for factor analysis was then assessed. From Table 30, Annex II, it is noted that the value of Kaiser-Meyer-Okin is exceeding the recommended value of 0.665, which in this case indicates that the questions are predicted by each factor. Also, from the Bartlett test, it is observed that p = .000. This indicates that the variables have a sufficiently high correlation to provide reasonable grounds for factor analysis. From the exploratory analysis for x, the Rotated Component Matrix was used. It is reported greater and seen by the matrix that nine components were detected of variance than 1 which are: leadership, teamwork, training and development, motivation, citizen focus.

In terms of organizational performance (y) there is 1 factor out of 5 tested in artificial variables. An assessment of the appropriateness of the data for factor analysis; it is noted that the Kaiser-Meyer-Okin value is exceeding the recommended value of 0.676. Also, from the Bartlett test, it is observed that p = .000, the variables have a sufficiently high correlation.

2.3 Reliability and Validity of the Questionnaire

Reliability is an assessment of the degree of consistency between multiple measurements of a variable and the reliability coefficient that assesses the consistency of the whole scale, with alpha Cronbach (Hair, et al., 2006; Sekaran & Bougie, 2009). Among the indicators used for internal consistency, the Cronbach alpha coefficient is the most common indicator (Pallant, 2007). In this study, internal Cronbach's consistency alpha measurement was undertaken to assess the overall reliability of the measurement scale, where the alpha gives an estimate of the percentage of total variance that is not due to the error representing the reliability of the scale (Oppenheim, 1992).

In relation to the questionnaire, the data of the questionnaires collected during the pilot test were processed and used to judge the internal validity through the Cronbach's Alpha Test. The validity of the questionnaire was tested by factor analysis.

In this case, the internal validity resulted in an unacceptable level at p = 05.

As a start a reduction of questions was made, eliminating questions which had the same meaning. Also, the questions that were important were asked after the demographic data. After identifying the problem and correcting it, the internal reliability was again assessed, resulting in 0.78; It is at acceptable levels.

In order to perform data analysis, in this study, various statistical methods were used, such as: factorial exploratory analysis (EFA), linear regression, etc. These analyzes have been based on literature review (Saleh & Hasan, 2015; Shaukat, et. al.; 2000).

2.4 Data analysis method

After collecting the data, their coding was performed and then the database was created, using the SPSS program. The instrumental factor structure was first extracted and then the Cronbach alpha coefficients were measured to see the reliability of the internal consistency of the scales used in this study. Subsequently, normalization tests (asymmetry and excess) were performed as well as the control for the lost data was performed.

To answer the first question of the study, a descriptive analysis was conducted:

• What is the level of application of the "soft" elements of TQM in the Municipality of Tirana? These include sample size, frequencies,

averages, variances, and standard deviations to describe the sample and distribution of the sample.

The linear regression model was used to answer the study's 2, 3, and 4 question:

- Does leadership as a dimension of "soft" of TQM affect organizational performance?
- Does human resources as a dimension of "soft" TQM affect organizational performance?
- Does focus on the citizen as a dimension of "soft" TQM affects organizational performance?

Exploratory factor analysis (EFA) was used in this study. It is performed when the researcher is unsure of the number of factors that may exist between the numbers of variables mentioned above.

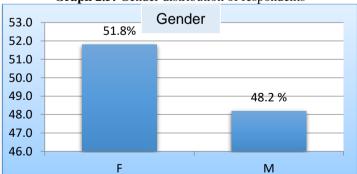
2.5 Descriptive Analysis

General Characteristics of the Population

The primary purpose of this section is to describe the demographic structure of participants with indicators such as: (a) Gender, (b), Age (c) Education and (d) Experience etc. Descriptive information, which includes simple statistics and distribution measures, is presented in the following figures.

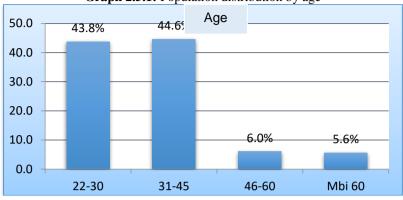
Sample characteristics

Such demographic factors as gender, age, educational level, experience and position in the Municipality, which profile the respondents are presented with the following figures.



Graph 2.5: Gender distribution of respondents

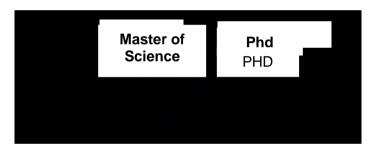
As can be seen in Graph 2.3.5, which refers to gender distribution, the majority of respondents in the Municipality of Tirana are female (51.8%), while males in a smaller percentage (48.2%).



Graph 2.5.1: Population distribution by age

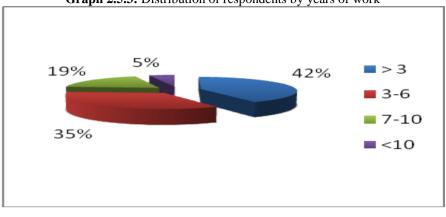
Regarding the age of the respondent, most of the respondents (44.6%) are between the ages of 31-45 years, (43.8%) the age of 22-30 years, 6% of the respondents are aged 46-60 years old and 5.6% over the age of 60 years. The age of 31-45 is the largest percentage of respondents.

Graph 2.5.2: Distribution of respondents according to the field of graduation



According to the completed education, the largest percentage is occupied by employees of the Municipality, Tirana, who have a degree in Master. (39%) of individuals have higher university education, (14%) of individuals have completed the second cycle studies-Professional Master and (43%) of individuals have completed the second cycle of Master of Science studies. Only 4% of this population has a scientific degree "Phd".

• While the distribution of respondents by years of work is shown in Figure 2.5.3



Graph 2.5.3: Distribution of respondents by years of work

It is noted that (42%) of respondents have less than three years of work in the Municipality, (34%) have 3-6 years of work, (19%) of respondents have 7-10% while (5%) have over 10 years working in the Municipality. The turnover of employees in the Municipality is high due to the influence of politics in the local sector and not only. As a result of the frequent changes of employees or employment policies prompted by politics, a relative instability of staff in institutions has been created and in many cases the employment of individuals who support political parties is carried out.

To identify the characteristics of the population, questions were also asked about the position of respondents in the Municipality, where most employees had the position of Specialists with 64.30%, with the position of Deputy Minister 25.30% and the position of Director 10.40% of them.

After a presentation of the general characteristics of the study population, the following will be an analysis of the "soft" elements of TQM in the Municipality of Tirana, to answer the research question.

Q1: What is the reality of the implementation of "soft" elements of total quality management in the municipality, according to staff perception?

To answer the research question 1, the elaboration of the three elements of TQM explained in detail in the theoretical part has been done. Table 2.3.4 summarizes the minimum, maximum and average values of the dimensions taken in the study.

Table 2.3.4: Descriptive data of "soft" elements of TQM in the Municipality

| | N | Min | Max | Means | DS |
|----------------|-----|-----|-----|-------|------|
| Leadership | 249 | 1 | 5 | 3.49 | 0.40 |
| HRM | 249 | 1 | 5 | 3.28 | 0.37 |
| Customer focus | 249 | 1 | 5 | 3.43 | 0.35 |

From the processing of the data obtained from the survey with questionnaires made with the help of the statistical package SPSS 25, it is noticed that:

City leaders are presented with average and standard deviation (M = 3.49, Ds = .4);

HRM are presented with a mean and standard deviation, respectively (M = 3.28, Ds = .37);

Citizen focus is presented with an average and standard deviation (M = 3.43, Ds = .35).

From these values the level of application of these elements is above the average level (variables are presented according to the Likert scale 1. very low, 2. low, 3. average, 4. high and 5. very high) which means that in the Municipality of Tirana these elements have been implemented in a relatively satisfactory way. Also, it is noticed that all the constituent components have an average approximate level and also a standard approximate deviation which shows that not only these elements are in the same degree of application, but also that the estimates have the same degree of volatility.

So, the assessments that have been made have an average level in the values of 3.28 to 3.49 (3 "average level" and 4 "high level") and it is noticed that the highest level is the assessment for the leaders of the municipality.

Also the Standard Deviation ranges from 0.35 to 0.40, which indicates not only very low volatility of estimates by respondents but also the same volatility for all subcomponents presented in the table above.

2.6 Exploratory factor analysis

One of the main uses of factor analysis is to summarize data to make the information more complete, making it easier to test hypotheses (Tabachnick & Fidell, 2007). Field (2009) stated that there are three main reasons to use factor analysis:

- understand the structure of a group of variables;
- construct a questionnaire to measure an important variable;
- reduce variables to a manageable size by storing as much original information as possible.

In this study, factor analysis was used to identify the "soft" TQM in the Municipality of Tirana.

The most widely used method of factor analysis is the main component analysis, and the most common factor rotation method is Varimax rotation (Zikmund et al., 2010; Gray & Kinnear, 2012). Factor rotation is also used as a method to interpret factors, showing the variables grouped together (Pallant, 2010), where factor rotation identifies a smaller group of factors with

eigenvalues greater than or equal to 1.0. This includes each of the variables that is strongly charged to only one factor (component) and each factor (component) represented by a number of important factors. Thus, this method groups the factors so that together they are more important as explanatory factors by eliminating (removing insignificant factors) or by grouping the approximate factors that have little impact (together these approximate factors have a greater impact). From the cited authors, the value 1 is calculated as the floor (the minimum level to consider that factor as a consideration) of the influence of these factors.

According to (Zikmund et al., 2010) loads of factors represent the correlation of the variable explained with the factor (or factors). Hair et al. (1998) determine the load of factors such as: the correlation between the initial variables, which is the key to understanding the nature of a particular factor. So, according to him, the nature of a factor (important or not important) is determined through modeling. Each particular factor that exceeds the minimum level is taken into account.

Based on the above as far as our study is concerned, the sample size is 249 (i.e., greater than 100 units and smaller but close to the level of 300 units) and the total number of elements to measure all variables for the current study is 4.

For the practice of "soft" dimensions of TQM, the indicators in the composition of the factors are the leader (10 indicators), human resources (3 indicators), and the focus on the citizen (5 indicators). The dependent variable that is organizational performance consists of a total of 5 indicators.

Based on the above explanations and on the recommendations made by the cited authors (Nunnally, 1967), in this study, only traders weighing more than 0.50 in one factor were kept for further analysis. In this study, those indicators have been preserved that the factors have had a value of 0.5 or greater.

Factor analysis contains two main variables:

First, the independent variables which consist of "soft" TQM dimensions;

Second, the dependent variable;

Table 2.4 shows the final set of indicators for "soft" TQM dimensions. Only two elements are considered important for the leadership dimension: (transparency and communication), which, therefore, will be included in the hypothesis testing. From a careful look at the table these two factors turn out to have a greater impact compared to other factors. The aforementioned authors suggest that the scope of the analysis in all other less important factors greatly expands the basis of the study, which makes the analysis fade and complicate and loses focus on the main factors and the assessment of their

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impact. According to Madumo, the Municipality is responsible for ensuring the promotion of collective efforts that community members would consider appropriate. This gives importance to the role of the individual holding managerial positions within the structures of the municipality in terms of legislation. The leadership challenges that have been identified are political interference, lack of finance, lack of skilled human resources and lack of commitment. These factors have hindered the leadership style of the leader in the municipality.

The same cannot be said for the human dimension-resources where all 3 elements, training and empowerment, group work and motivation will be involved in hypothesis testing (see argumentation in the data given in the relevant tables). Based on the Star Project-Consolidation of Territorial and Administrative Reform, employees in the municipality are involved in trainings, workshops, etc. which affect the development and empowerment of employees in the Municipality as well, affecting their motivation. Undoubtedly, these dimensions affect the quality of service provided by municipal employees. Human resource management dimensions are considered and evaluated as important. As well as quality models as well as quality stone give importance to effective human resource management and according to them, human resources should be at the center of any successful quality management process. According to Dzansi (2010), proper employee management is essential for organizations that provide services such as the municipality precisely because employees have an impact on citizen and company satisfaction (Dzansi & Dzansi, 2010). Therefore, understanding these specific organizational factors that affect employees knowledge, attitudes, and behaviors. These factors affect the way citizens assess the quality of service, in the institution of the municipality. Undoubtedly, training and empowerment as well as teamwork and motivation promote continuous improvement in an institution (Fernham & Horton, 1996).

For the last dimension, the focus on the citizen, are considered important only the elements, accuracy & documentation, sensitivity, citizen demand and transparency for further analysis and testing of hypotheses, mentioned in Table 2.5.4. because of the structure of the municipality, the labor force often times unqualified due to the placement in work with "friend and not merit", political changes accompanied by various from top to bottom (manager to employee) has resulted in important only presented elements in Table 2.6

Table 2.6: Seperation Method-Factors for "soft" TQM

| | Com muni catio n | Trans paren t | Train in & enpo werr ment | Team work | Moti vatio n | Trans paren t | Accur ancy & equip ment with doc | Sensi tivity | Citiz ens' dema nds |
|-------|---------------------------|---------------------|---------------------------|--------------|--------------------|---------------------|--|-----------------|------------------------------|
| L1 | 0.634 | | | | | | | | |
| L2 | 0.785 | | | | | | | | |
| L3 | | 0.934 | | | | | | | |
| L4 | | 0.936 | | | | | | | |
| HRM1 | | | | 0.757 | | | | | |
| HRM2 | | | | 0.759 | | | | | |
| HRM3 | | | | 0.533 | | | | | |
| HRM4 | | | 0.775 | | | | | | |
| HRM5 | | | 0.547 | | | | | | |
| HRM6 | | | 0.681 | | | | | | |
| HRM7 | | | 0.645 | | | | | | |
| HRM8 | | | | | | | | | |
| HRM9 | | | | | | | | | |
| HRM10 | | | | | 0.506 | | | | |
| HRM11 | | | | | 0.768 | | | | |
| CF1 | | | | | | | 0.636 | | |
| CF 2 | | | | | | | 0.703 | | |
| CF 3 | | | | | | | 0.589 | | |
| CF 4 | | | | | | | | 0.843 | |
| CF 5 | | | | | | | | 0.619 | |
| CF 6 | | | | | | 0.648 | | | |
| CF 7 | | | | | | 0.828 | | | |
| CF 8 | | | | | | 0.580 | | | |
| CF 9 | | | | | | | | | 0.536 |
| CF 10 | | | | | | | | | 0.712 |
| CF 11 | | | | | | | | | |

Regarding the methods used to obtain the results of the table, emphasizing that the method of separation, component analysis, was used in the beginning of processing in order to separate the components to analyze the impact of each of them. The following is the rotation method (Varimax with Data Normalization), where based on the methodology of the analysis done, it is considered only in cases where there has been a converged rotation in 11

repetitions. So, the methods have been used continuously by eliminating the factors step by step first detailing the constituent components by measuring the impact of each of the separate components. Only in cases where 11 or more repetitions then the corresponding method of factor rotation has been used on these elements.

Regarding the dependent variable-organizational performance, Table 2.6 presents the average and standard deviation of all five elements of organizational performance. The following table is important for the study because it takes into account all five elements of organizational performance and exactly P1 - the Level of Satisfaction of the citizens, P2 - representing the Level of fulfillment of your satisfaction, P3 representing the Level of problems with the system, P4 - the Level of improvement of service performance and P5 - the Level of improvement of public spaces. Thus, the analysis of organizational performance subdivisions made it possible to understand the level at which they were assessed and at the same time whether there were large or small volatility (in this case the volatility is in some level; in other cases, P1 and P3 relatively significantly).

Table 2.6.1: Operational Performance

| Statistics | | | | | | | | |
|------------|---------|---------|---------|---------|---------|---------|--|--|
| | | P1 | P2 | P3 | P4 | P5 | | |
| N | Valid | 249 | 249 | 249 | 249 | 249 | | |
| | Missing | 0 | 0 | 0 | 0 | 0 | | |
| | Meam | 3.4618 | 3.2410 | 3.1325 | 3.2249 | 3.1968 | | |
| SD | | 0.80294 | 0.63355 | 0.75302 | 0.55141 | 0.52116 | | |
| | | | | | | | | |

In the following section, the econometric model will be presented, linear regression model to answer the research questions P2, P3, P4 as well as to confirm the hypotheses of this study.

- P2. Does leadership lead as a "soft" element of TQM in organizational performance?
- P3. Does human resources dimensions and resources as a "soft" element of TQM affect organizational performance?
- P4. Does the focus on the citizen as a "soft" element of TQM affect organizational performance?

2.7 Econometric model

The appropriate econometric model among the models has been used based on suggestions made based on similar studies conducted by other mentioned authors and colleagues in the field of statistics as well as by the relative knowledge of the case. Thus, the hypotheses to be tested were also selected. In most studies, the econometric model of linear regression is the most widely used model, as it helps researchers reach consistent conclusions

about the relationships between study variables, as in this case. The study has objectives and a database similar to other studies, so the econometric model of linear regression, is used in this case.

So, through this model, it is observed the relationship between the "soft" elements of TQM: leadership, human resources, citizen focus and organizational performance. Leadership, HRM, and citizen focus are independent variables in this study, while organizational performance is a dependent variable.

Table 2.7 reflects the results of the analysis of linear regression of "soft" dimensions of TQM and organizational performance. The data in the table have resulted from the linear regression model presented above.

Table 2.7: Results of the analysis of linear regression of "soft" dimensions of TQM and organizational performance

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---------------------------------------|--------------------------------|---------------|---------------------------|--------|-------|
| | В | Std. Error | Beta | | |
| (Constant) | - 0.434 | 0.179 | | -2.423 | 0.016 |
| Age | 0.091 | 0.058 | 0.074 | 1.571 | 0.117 |
| Years of experince | 0.217 | 0.108 | 0.097 | 2.021 | 0.044 |
| Leadership (communication) | 0.363 | 0.045 | 0.363 | 7.996 | 0.000 |
| Leadershipi (transperancy) | 0.233 | 0.046 | 0.233 | 5.096 | 0.000 |
| HRM (team work) | 0.207 | 0.045 | 0.207 | 4.556 | 0.000 |
| HRM(training & enpowerment) | 0.359 | 0.046 | 0.359 | 7.859 | 0.000 |
| HRM (motivatio) | 0.193 | 0.045 | 0.193 | 4.250 | 0.000 |
| CF (transparency) | 0.177 | 0.046 | 0.177 | 3.863 | 0.000 |
| CF (accurancy and equipment with doc) | 0.216 | 0.045 | 0.216 | 4.749 | 0.000 |
| CF (sensitivity towars citizen) | 0.116 | 0.047 | 0.116 | 2.482 | 0.014 |
| CF (demands of citizens) | 0.059 | 0.046 | 0.059 | 1.273 | 0.204 |

Control variables (age and years of work in the Municipality) do not have a major impact on organizational performance (See non-standardized and standardized coefficients in Table 2.7). As discussed above, high turnover and employment of employees in some cases incompetent and not at the appropriate level of qualification in the Municipality due to policy interference, control variables (age and years of work) do not affect the great in organizational performance. From the same table, the results show that the focus on the citizen in relation to the element citizens' demands do not affect

organizational performance. As for the other elements, they are statistically significant. Table 2.7 shows that leadership (communication and transparency), human resources (team work, training and enpowerment, motivation), and focus on the citizen (sensitivity, transparency, accuracy and documenting) have a strong impact on organizational performance. , because the lower the level of importance (Sig.) the stronger the connection of the "soft" dimensions of the TQM with the organizational performance. The regression results show that the aforementioned elements with Sig. 0.000 have strong connections.

The findings of this study are in line with the conclusions of other similar studies (Al-Nasser, et. al., 2013).

The leader and senior management level acts as a driving force for TQM, their commitment must be translated into specific strategies. Strategies that allow the organization to achieve higher organizational performance, focus on the client and achieve this by ensuring the full participation of employees through training and empowerment.

The importance of empowerment and training is indisputable in the success or failure of the organization. Ramseook-Munhurrunet et al. (2011) highlighted the ongoing empowerment and training to foster a positive culture where change supports the TQM climate. Other researchers claim that development and training is key to discovering innovative methods to help increase organizational performance. Arasli and Ahmadeva (2004) asserted that TQM is a philosophy whose objectives include ensuring a success model for organizations through customer satisfaction. The TQM definition presented by most researchers confirms the purpose of TQM, customer satisfaction in all organizations, for-profit or non-profit, or government organizations (Jung & Hong, 2008).

As mentioned above, due to the involvement of such factors: bureaucracy, political interference, lack of funding, lack of skilled human resources, lack of proper planning and lack of commitment), not all elements within the dimensions have emerged significantly. These elements, for example, the lack of inadequate human resources affects the quality of service provided to the citizens. Political interference often affects the employment of incompetent employees in public administration. Bureaucracies have a negative impact on service quality, too (Morphet, 2008). Financial shortages affect the training and development of the workforce in the organization and beyond. Undoubtedly, training should not be done only at the level of employees, but also leaders and senior management levels should be part of them, which brings improvements in human resource planning and management, inclusion, etc.

This view is supported by the results of the study. Thus, referring to Table 2.5 it is noticed that the results are from 0.506 to 0.934 and the theory

suggests that the bond is called strong when approaching 1 and is weak when the value is almost zero. It is judged that values above 0.7-0.75 are values that should be taken into account and factors have a strong impact while values above 0.5 have a moderate impact but should be considered as a relatively strong impact (Pallant, 2010).

This study shows the negative impact of the mentioned factors, as a result of certain performance dimensions, to have relative loss of their importance, which is often accepted by other studies for countries with similar levels of development. All elements presented with a Sig. 0.000, are elements that have an impact on the performance of the organization, in this case, the performance of the Municipality of Tirana (Sadikoglu & Olcay, 2014). In this case, the hypotheses H1, H12, H3 are confirmed. Soft elements of TQM have been considered having an impact on organizational performance.

Conclusion

To conclude, comprehensive implementation of quality management in the municipality, requires the right skills to provide quality services that meet the needs of citizens, in accordance with the expectations and requirements of the time. Studies have shown that there is a link between the implementation of total quality management in municipalities and an increased quality of service to citizens. So, whether or not the municipality makes the total quality part of it, will be reflected in the level of service provided and the performance of the organization. The analysis on this study showed that "soft" elements of TQM have a direct impact on organizational performance. These findings, confirmed by many other studies cited in this paper.

Future research direction

Based on the findings of the study, to increase the implementation of TQM in municipalities it is recommended as below.

- 1. Creating an organizational culture that supports TQM, provides opportunities for the inclusion of quality in the municipality's strategy for integrating it throughout the organization.
- 2. Develop a strategic plan that will promote key TQM practices for organizing and creating a dynamic, quality-oriented environment.
- 3. Establishment of a total quality department that pays attention to the actors of external as well as internal actors of the organization in the municipality.
- 4. Expanding the training and development function, both for the leader and the senior managers as well its employees, to implement TQM in the municipality.

- 5. Adopt appropriate methods and technologies to support higher service delivery, which means evaluating standards that are consistent with the values and methods of TQM, promoting efficiency, effectiveness and excellence in delivery of services.
- 6. Use of excellence models, [EFQM / CAF, European Quality Model] in the near future, as their use depends, to some extent, on the level of maturity of the total quality.
- 7. Support for ISO9001 certification, seven principles of quality management and simplifies the implementation of a quality management system in the municipality to achieve and address its challenges.
- 8. Develop internal mechanisms for monitoring and controlling processes by creating space for both managers and employees to react in real time to improve service quality and measure performance, such as the standardization process [Benchmark].
- 9. Use of the Kaizen philosophy, which defines the role of management in encouraging and implementing continuous minor
- 10. Engaging employee participation in setting quality objectives and goals
- 11. at all levels. Employee participation in this process is a must to feel motivated [involvement and commitment].

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