



Role of Total Quality Management in Service Sector: A Literature Review

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ABSTRACT

The word 'quality' is not old but it has gained momentum in the last few decades. At the onset of 21st century, it has become a buzzword for every business, whether manufacturing or service. Many of Indian manufacturers have adopted it. Total Quality Management is a management philosophy which not only changes the way of thinking but also improves the way of thinking. It is an open fact that the cooperation and commitment of top management to implement in TQM has made it a great success irrespective of the sectors. TQM in service sector is still in its nascent stage but as the service providers has started realizing its importance, they are also moving towards the direction of introducing it in their businesses. The paper highlights the driving forces that gear up the success of the TQM in the service sector. It also discusses the factors that create hindrance in its implementation.

Keywords: Customer Satisfaction, Employee Performance, Total Quality Management, TQM, Service Quality

I. INTRODUCTION

Total Quality Management (TQM) is an effective tool of management to produce the product of highest quality which satisfies the needs of customers and exceed their expectations. It has been the area of attention for the modern business houses to meet the customers' satisfaction and expectations. In the modern times, TQM has become an indispensable part of the organization. The cut throat competition among the organizations, manufacturing or service, encourages them to follow TQM. TQM is a management philosophy which integrates all the resources and functions, empowers every worker or employee of the organization to perform his/her best and contribute his maximum through his participation in the manufacturing process or service. In the words of V. Daniel Hunt, "TQM is a journey and not a destination. It is an integrated effort designed and aimed to improve quality at each and every level of organization, including processes. It involves everyone, from bottom to top, and all activities of the organization."

TQM has proved that the quality can be managed and must be managed to meet the customer requirements and their expectations. TQM has five pillars namely, Product, People, Process, System and Leadership. The TQM is based on eight principles, namely focus on customer, process approach, integrated system, systematic approach, commitment of employee, continuous improvement, communication and decision-

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making based on facts. TQM improves the quality, enhances competitiveness and flexibility, improves effective business performance and customer satisfaction [1] [2] [3].

The system of TQM provides the services to the customers which meet their requirements and at the cost that provides a value to the customers. It considers that each and every person in the organization has its customers, whether internal or external.

II. LITERATURE REVIEW

In its infancy stage, the TQM was developed with the focus on the manufacturing sector. At that time, the service sector was not in the sight. The implementation of TQM in manufacturing sector improved quality and productivity and lowered the costs [4]. But as the standards and parameters for the service quality were raised and re-defined, the need for TQM in the service sector was also understood. The universal applicability of the concept of TQM encouraged the management and managers to adopt and implement it in the service sector [5]. Today, the philosophy of TQM is widely accepted among the manufacturing and service organizations across the world. TQM has always well understood with the need to improve the quality of products and services for the better utilization of the resources of the organization [6]. Though, TQM originated from the manufacturing sector but its principles are relevant to the service sector equally as both the sectors work for a common purpose and focus in mind, i.e. customer satisfaction.

At the outset of 21st century, a wide acceptance of TQM has been witnessed in the service sector, with service quality as a *mantra* for the success and growth of a service organization [7] [8]. Lack of focus on the inputs of the organization and its delivery processes result in poor service quality, which hinders the effective delivery of service, brand and growth of the organization [9].

This paper focuses on presenting the overview of TQM, its relevance in service sector & components and the factors that influence its implementation in the service sector. The paper also reviews the literature available on the TQM in the services sector and draws conclusions there from. The present work is based on the secondary sources. The relevant available literature was gathered for the perusal. After the extensive perusal of the research papers, online articles, etc and other literature available, the relevant literature was shortlisted for the purpose of the paper.

III. TQM IN SERVICE SECTOR

A service can be defined as a job performed by a person for the other person. Rendering of service, like product, is also an economic activity but the characteristics of a service are different from that of a product. The service is intangible, variable, unquantifiable, inseparable, perishable and its consumption can be postponed. The delivery of service is time sensitive. Before implementing a TQM, the organization must assess its current status and reality. However, implementing a good TQM in service sector involves the steps as shown in Figure 1:

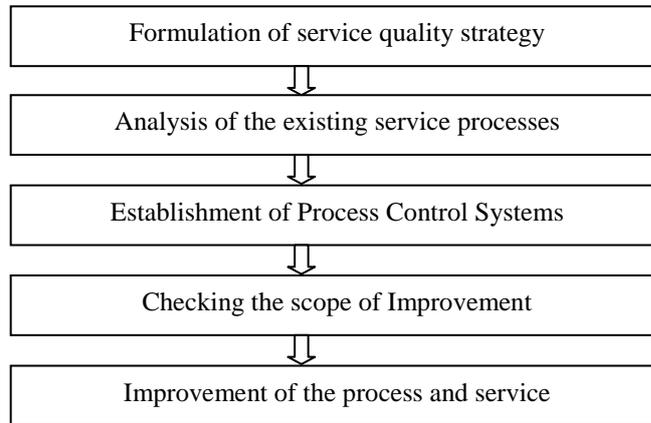


Fig. 1: Steps of Implementing TQM in Service Sector
(Source: www.ijcsms.com)

The services inherent unique characteristics, which differ from product characteristics, need to be studied for the effective implementation of TQM in service sector. The successful implementation of TQM in service sector resulted in improved performance, better relations among employees, greater customer satisfaction and higher profitability [10] [11] [12]. Reliable, responsive, flexibility, professionalism and competence are some of the dimensions of service quality [13]. But at the same time, prevalent norms, practices, culture and regulatory framework are also some of the factors that hinder the successful implementation of TQM and efforts to improve the performance [14].

In India, various organizations like Tata, Wipro, HDFC, Oberoi Hotels, etc are following TQM practices in their organizations. It is pertinent to note that Total Quality Service (TQS) is critical for an effective implementation of quality management in service organizations [15]. In the present world, the needs and expectations of the customers vary from time to time. The major challenge to service organization is to meet the expectations of the customers every time he/she visits for the service. This can be possible only with highest and best service quality. For this purpose, the management needs to be supportive to its employees and also keeping the controls and monitoring systems in place that lead to the best quality of service. It is important to focus on the needs of the customer with the objective to provide him best quality of service [16] [17]. The analysis of the information has also been found to be helpful in improving the methods of service quality [18] [19]. It was also found that the capability of problem solving also improves the service quality [20]. International Awards for the quality have been instituted but the service sector of India does not meet its requirements and has to a lot to meet the guidelines or standards for the Awards. On the other hand, the pre-requisites or guidelines for the Awards can be re-designed or amended, keeping in mind the situations of service sector in India. It will encourage the Indian service providers to participate in the International Quality Awards.

It is pertinent to note that the commitment of top management and the training of employees in quality are not in harmony. Most of the firms hesitate to spend on the training of employees in quality. On the other

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hand, the employees, who are well-trained in implementing the TQM, are not rewarded or their efforts are not given any due recognition.

CONCLUSIONS

Indian organizations have realized the relevance of TQM and are increasingly adopting it in their businesses. TQM is a continuous process which needs transparency and full support from the management. The management needs to work along with the employees, like colleagues to make the TQM successful. Effective communication, customer retention, customer loyalty and benchmarking are some of the important tools of good quality service, which every service organization needs to follow. Rewards and recognition of employees have always been important source of motivation. This motivation encourages the employees to perform better and enhance his productivity. Training of employees also plays an important role for the success of service organizations. It is widely accepted that proper training to employees improves their productivity, which in turn, enhances the financial performance and customer satisfaction. The grievances and suggestions of the employees must not be ignored, as these factors contribute to customer management and satisfaction.

Though customer satisfaction is foremost for any organization but it is considered as the final output in any service organization, as it dependent on the service quality. Better the service quality is, higher is the customer satisfaction. It is well understood that customer satisfaction is not based on a single interaction of the customer with the service provider. It is the totality of the transactions (or interactions) with the service provider over a period of time. The journey of TQM is long and painful but there is no alternative road to excellence. TQM is not only a goal but a path as well. Hence, the journey of quality never ends.

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