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IMPLICATIONS FOR STRATEGY- MAKERS

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Quality Management for Services – An Exploratory Outline

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QUALITY MANAGEMENT FOR SERVICES – AN EXPLORATORY OUTLINE

1. Introduction

1.1 What is a Service?

A Service may be defined as an intangible commodity of perceived value, which is created as result of work done by an individual or a group of individuals, and is offered for sale to others with the object of satisfying a clearly identified socio-economic need.

As commodities of trade, services have certain characteristics, which differentiate them from products or goods. These characteristics include the following[1]:

- Services are intangible and may be difficult for a supplier to explain and specify and sometimes also difficult for the customer to assess;
- The customer often takes part directly in the production of a service;
- Services are consumed to a large extent at the same time as they are produced; they can neither be stored nor transported;
- Services are activities or processes and cannot therefore be tested by the customer before they are bought;
- Services often consist of a system of sub-services. The customer assesses the totality of these sub-services. The quality and attractiveness of the service depend on the customer's experience of the totality;
- Much of the service quality is related to moments when the service supplier and the customer meet face to face, in what is popularly termed the "moment of truth".

1.2 What is Quality Management?

The International Standards Organisation (ISO) define Quality as the "Totality of features and characteristics of a product that bear on its ability to satisfy stated or implied needs."[1]

Quality Management refers to the systematic set of interrelated activities involving Quality Assurance, Quality Control and Quality improvement which are carried out to that value creating processes produce products targeting stated or implied customer needs.

Quality Assurance refers to a planned and systematic set of activities carried out to ensure that customer requirements for a product or service are clearly established and the defined supply chain and related production processes comply with these requirements. Quality Control on the other hand is the managerial task by which the actual process performance is evaluated and actions are taken in response to un-acceptable deviations from agreed or set specifications. Quality improvement as an element of Quality management has evolved from the notion of Continuous Improvement, which evolved from the Japanese economy. The concept prompts an organisation to take stock of the acquired learning and continually implement the feasible ideas as innovations aimed at improved performance.

Quality Management for Services could then be said to refer to the systematic set of interrelated activities involving Quality Assurance, Quality Control and Quality improvement which are carried out to with respect to the production processes creating intangible commodities of economic value targeting stated or implied customer needs.

[1] Bergman, B. and Klefsjo, B. **Quality** (1994), McGraw-Hill, London ISBN 0 07 709016 0

2. Why Quality Management for Services?

The emergence of new transmission technologies for information has given impetus to the growth of trade in services. For 2005 for example, the export of services has been estimated at about U$ 1 trillion[2] representing about 20% of the world exports. Trade in services has the potential to open up new trading partnerships in the global economy. Sustenance of mutually beneficial trading partnerships would however call for some common protocols for Quality management. Add growth in domestic trade in services, which is partly fuelled by accruals from export earnings, and one can see an economic value chain with great potential to also impact on household incomes of developing economies.

3. How Does on Go About Providing Quality Management for Services?

To provide Quality Management for Services, one has to first understand the general Quality dimensions of a Service. Bergman and Klefsjo (1994, p. 267)[3] citing the work of Zeithaml et al. (1990) identify the following dimensions of Service Quality:

1. ***Reliability:***
   Measures the consistency of performance and dependability (e.g. punctuality and the correctness of service, information and invoice procedures).

2. ***Tangibility:***
   Refers to the physical environment in which the service is presented (i.e. the organisation, the equipment, personnel and their clothing).

3. ***Responsiveness:***
   Refers to the willingness to help the customer.

4. ***Assurance:***
   Refers to a set of attributes which include the following:
   - Competence (i.e. possession of the required skills and knowledge to perform the service.);
   - Courtesy (i.e. demonstrated politeness, consideration and kindness by the supplier of a service.);
   - Credibility (i.e. trustworthiness, believability and honesty of the service provider.);
   - Security (i.e. freedom from danger, risk and doubt)

5. ***Empathy*** or the interest and possibility of putting oneself in the customer's "shoes":
   - Refers to a set of service environment attributes which include the following:
   - Access (i.e. ease of making contact with a supplier of a service);
   - Communication (i.e. the ability of talking in a way which is understandable to the customer.);

Zeithaml et. al went on to propose a Customer Satisfaction Gap Model as one strategy for designing in quality at the service development stage. The Gap model identified a number of common omissions between customer expectation and customer experience of a service. The assertion was that these gaps are potential sources of quality problems at service delivery stage.

The Gaps were identified as follows:

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2 Trade in Services (2005) Lusaka, Seminar Notes by Ascher B, & Caplan, B. of Manchester Trade Ltd.

3 Bergman, B. and Klefsjo, B. **Quality** (1994), McGraw-Hill, London ISBN 0 07 709016 0.

Gap 1: Between customers' expectation and top management's perceptions of those expectations.

Possible causes:

- Lack of marketing research;
- Inadequate upward communication;
- Too many levels of management;

Gap 2: Between top management's perceptions of customers' expectations, and service quality specifications.

Possible causes:

- Inadequate management commitment to service quality;
- Perception of infeasibility;
- Inadequate task standardisation;
- Absence of goal setting.

Gap 3: Between service quality specifications and service delivery.

Possible causes:

- Role ambiguity among employees;
- Role conflict among employees;
- Poor employee job fit;
- Poor technology job fit;
- Inappropriate supervisory control systems;
- Lack of team work;

Gap 4: Between service delivery and external communications to customers about service delivery.

Possible causes:

- Inadequate horizontal communication among operations, marketing and human resources;
- Propensity for over promising.

Gap 5: Between customers' expectation and perceived service.

Possible causes:

- Changes in customer requirements with time lapse between need identification and service delivery;

4. Some Examples of Service Quality Assurance Approaches

The paradigm shift from inspecting quality into the process, through Quality Assurance to Total Quality Management whose scope starts with the design stage of service or a product, has seen the emergence of a number of methodologies whereby the gap between customer expectation and perceived service is addressed early in the process. Two of the design methodologies that have become popular include Quality Function Deployment (QFD), and Blue printing of services.

4.1 Quality Function Deployment

This a method for transferring customer expectations expressed in form of wants and needs into product/service and process characteristics, with due regard for competitors. The methodology consists of four parts[1]:

1. Market Analysis – to find out the needs and expectations of customers;
2. Competitor analysis – to establish their ability to satisfy the needs and wants of customers;
3. Identification of key factors for success of the intended product/service, on the basis of the outcomes in (1) and (2);
4. Translation of the key success factors into product/service and process characteristics, in the context of design, development and production/service provision.

4.2 Blue Printing[4]

This based on the use of a Flow chart, and describes how a service is created in detailed steps. The method brings out dependencies between different departments, processes and people. It also designed to separate what processes are visible to the customer and those that are not, in the process of service delivery.

5. Some Quality Management issues and initiatives in Zambia and the SADC[5] region

Adoption of economic liberalisation policies by Zambia and other trading partners in the SADC in the last ten (10) to fifteen years, has brought the issue of Quality Management for Services to the fore of national development and enhanced competitiveness in international trade. The education sector has been one of the service sectors where discussions and initiatives in Quality Management strengthening have been initiated. The major problem at country and regional levels has been Qualification recognition and comparability. In the context of a individual country, the need for qualification recognition has come about partly because a large proportion of the labour force are acquiring skills and competence to support their lifestyles through the micro enterprise based non-formal training systems operating in the informal segment of the national economy. A good number of SADC countries are implementing training sector reforms, which started in the mid 1990s, whose primary aim includes the integration and mainstreaming of training systems supporting skills development in the informal/micro enterprise sector, as one way of contributing to enhanced productivity and income generation capacities in the economy[6].

At regional level, SADC member countries have signed a protocol on education whose emphasis is on the importance of harmonising the regional education systems and maintaining acceptable standards at all educational levels[7]. Qualification recognition and comparability were seen to beg key instruments for ensuring this process of harmonisation and maintenance. According to Ngwira et. al. some of the issues underpinning the signing of the SADC protocol on education included the following:

- Varying entry qualifications into educational programmes;

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[4] Bergman, B. and Klefsjo, B. **Quality** (1994), McGraw-Hill, London ISBN 0 07 709016 0

[5] SADC – Southern Africa Development Community, a trading group consisting of 14 countries as follows: Zambia, Malawi, Tanzania, Angola, Zimbabwe, Botswana, Namibia, Swaziland, Mauritius, Malagasy, Lesotho, Congo DRC, Mozambique, & Seychelles.

[6] Technical Education, Vocational and Entrepreneurship Training Policy (1996), Ministry of Science, Technology & Vocational Training, Lusaka, Zambia.

[7] Ngwira, T. el al. Quality Management Initiatives in Higher Education Institutions of SADC Countries.

- Regional calls for standardisation of educational qualifications, presumably to promote skilled labour mobility;
- Demand for most national programmes to receive accreditation.

Formation of the Higher Education Quality Management Initiative of Southern Africa in 2002, by a team of Vice Chancellors or their representatives was one of the technical initiatives undertaken to actualise the political intentions of the protocol. A number of countries have gone on to create national Qualification Authorities in their quest to strengthen their Quality Management systems for education, as intermediate step towards the creation of regional Qualification framework for the SADC. Availability of resources has proved to be one of the major constraints in ensuring the implementation of the Quality Management aspects of the SADC protocol on education.

6. Conclusion

The paper has made an attempt at exploring ways in which Quality Management for supporting trade in Services can be developed, in response to the growth potential of this segment of world trade. Some methodologies for incorporating quality issues at the design stage of a service have been introduced. Development work in this area will also benefit from the reputable systems for Quality Management development, which have evolved from systems supporting trade in goods or products. An attempt has also been made to share information on some of the initiatives in Quality Management for Services in the context of the education sector.