

# Result Analysis of Total Quality Management Implementation Using Quality Manual to Achieve Raise on Service Excellence (ROSE) in PT. TLK Indonesia

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**Abstract:** *A company has to develop both its business sector and its organization. This development is intended for the sake of customer satisfaction. PT. TLK as a well-known telecommunication company in Indonesia, has decided that in 2011 has become the beginning year of Quality Assurance. This study is intended to discover the picture of quality manual of PT. TLK as efforts in achieving quality assurance through the implementation of Total Quality Management. This study is also intended to discover the business result of the implementation of quality manual. The method used in this study is qualitative descriptive methods to conduct observation and interviews. The result of the study explains that in improving product services quality to satisfy customer's expectation through Total Quality Management (TQM) and quality manual implementation, Raise on Service Excellence (ROSE), indicates the positive effect to the company.*

**Keywords:** Business Result, Total Quality Management, Quality Assurance, Quality Manual

## 1. Introduction

In this information and globalization era, the corporate world development faces the unpredictable competition. Asean Free Trade Agreement (AFTA) and Asean Free Economic Agreement (AFEC) which had been held respectively in 2003 and 2010 have caused many countries to participate in goods and service marketing competition in global scale without any obstacle (Carolina, 2012: 175). Quality becomes the main influential element which cannot be ignored in the competition. Susanty (2011: 2) argues that one of many ways to achieve and develop the quality is by applying Total Quality Management (TQM) in company. The emergence of TQM has become the main development in management practices. TQM was firstly introduced in the US in 1980 as a response to competitive challenge from Japanese company (Heizer, 2008). Munizu (2010: 185) said that TQM is an approach in improving quality systematically by using many dimensions. TQM has been applied widely by many companies for the purpose of improving quality, productivity, and profitability.

In facing more competitive condition of the corporate world, PT. TLK has to exploit its resources. PT. TLK also has to show its commitment in facing product competition produced by other local or international company producing similar product. Therefore, PT. TLK designs a program which focuses on the Quality Assurance. It is expected that the implementation of Quality Assurance will improve service quality for the customer. In facing such situation, PT. TLK has employed a quality manual. By implementing the quality manual, PT. TLK is expected to be able to achieve TQM and to improve the products.

## 2. Theory

### 2.1 Quality

There are many wide and various definitions of quality. Quality is the totality of product's characteristics that supports its ability to fulfil specified or established needs (Gasperz, 2011:7). With regard to quality perspective, Nasution (2004: 6) identifies five alternative of quality perspectives as follows:

#### 1. Transcendental Approach

According to this approach, quality can be felt or identified. However, it is difficult to operate.

#### 2. Product-Based Approach

This approach considers quality as a characteristic or attribute which can be quantified and measured.

#### 3. User-Based Approach

This approach is based on ideas that quality is decided by the customer and that high quality product is a product that most satisfies the customer.

#### 4. Manufacturing-Based Approach

This perspective pays attention on engineering and manufacturing practices. It states that quality is equal to its requisite. Quality in services sector is operation-driven. This approach focuses on specification adjustment which is developed internally and often encouraged by the objective of productivity improvement and cost-cutting.

#### 5. Value-Based Approach

This approach sees quality from price value perspective. By considering trade-off between product performance and price, quality is defined as affordable excellence.

### 2.1.1 Total Quality Management (TQM)

According to Widjaja (1998: 9), Total Quality Management is a holistic organization management that enables the

organization to achieve excellence in all aspects of the products and services. Quality covers all aspects of the organization, and every action taken by the organization in which they all are defined by the customer. Another definition regarding TQM states that TQM is a management system that improve quality as a business strategy. TQM is oriented toward customer satisfaction by involving all members of the organization (Nasution, 2004: 18).

Fundamentally, the concept of TQM contains three elements, namely:

1. Customer value strategy: the benefit that is gained by the customer in using the goods or services produced or provided by the company and by the customer's sacrifice to gain it.
2. Organizational system: focuses on providing values to the customer.
3. Continuous quality improvement: continuous quality improvement is required to face changing external environment, specifically customer preference. This concept demands a commitment to conduct continuous tests on the quality of the products.

### 2.1.2 Malcolm Baldrige Criteria

Malcolm Baldrige is a theory and a way that can be applied in TQM implementation. The value and concept of Malcolm Baldrige are attached in seven categories which is also known as Malcolm Baldrige Criteria (Sadikin, 2004: 22):

- 1) Leadership
- 2) Strategic planning
- 3) Customer and market focus
- 4) Measurement, and knowledge management
- 5) Human resources focus
- 6) Process management
- 7) Business result

These criteria is used in performance assessment which is related to main business indicator such as customer, products and services, financial, human resources and operational. Such criteria may help the company to harmonize resources, fix communication, productivity, effectiveness, and to achieve strategic objective (Sadikin, 2004: 25). According to Widjaja (1998: 96), important concepts in Baldrige criteria are:

- a) Quality is determined by the customer.
- b) A senior chief has to create clear quality value and has to implement the value into the company's care
- c) The excellence of the quality is gained from the system and process which are well designed and well executed.
- d) Quality improvement is a part of management, system and process.
- e) The company needs to develop its objective, strategic plan, and operational plan to produce the leading quality.
- f) Shorten the response time of all operation and process of the company needs as an effort in quality improvement.
- g) The company operation and decision has to be based on facts and data.
- h) All employees have to be trained and involved in every activity related to quality.
- i) Quality design, damage and maintenance have to be the main elements in quality system.

- j) The company needs to communicate quality requisite to the supplier.

## 2.2 QUALITY PERFORMANCE MEASUREMENT

Gasperz (2011: 181) stated that there are 11 characteristics that can be used to evaluate a good performance measurement system:

- 1) The measurement cost must not be bigger than the benefit
- 2) The measurement is begun from the beginning of the program to business excellence
- 3) The measurement needs to be related to strategic objective. Every strategic objective must have at least one measurement.
- 4) The measurement must be simple and must provide data that are easy to use, comprehend and report.
- 5) The measurement needs to be able to be repeated continuously so that it can be compared to other measurement at some time.
- 6) The measurement has to be conducted in a holistic system that becomes the scope of the performance improvement program in achieving business excellence.
- 7) The measurement must be able to be used to set target and to lead to future performance improvement.
- 8) The performance measurement in the improvement of excellence performance has been comprehended by every individual involved, specifically regarding the relation of such performance measurement in which the target of the program is to improve performance excellence.
- 9) The measurement involves all different individuals in a process involved in the program of performance excellence improvement.
- 10) The measurement needs to be accepted and believed by people who need it.
- 11) The measurement must focus on corrective action and improvement, not only on monitoring or controlling.

## 2.3 Benchmarking

Benchmarking is a way of seeking the best practices that can lead to the best performance (Superior Performance) of a company (Widjaja, 1998: 110). There are four types of benchmarking, namely:

- a) Internal benchmarking: the comparison of internal operation.
- b) Competitive benchmarking: the comparison between a particular competitor and other competitor in regard to product and other importance.
- c) Functional benchmarking: the comparison of the same functions in some industries toward the leading industry.
- d) Generic benchmarking: the general comparison of the business functions or the same process by ignoring industry.

### 3. Method

#### 3.1 Qualitative Descriptive Method

Qualitative descriptive was used in this study to analyze the result analysis of Total Quality Management (TQM) Implementation using quality manual implementation. Sandelowski (2000) stated that qualitative descriptive designs are typically an eclectic but reasonable and well-considered combination of sampling, and data collection, analysis, and re-presentational techniques. The purpose of descriptive qualitative study is to decide on how to manage the result of a study by making the analysis units through qualitative descriptive research method. This study it self namely by finding facts through proper interpretation. Data collection method used involves primary data such as structural interview, nonparticipant observation and also using secondary data of internal data from a company (Klues, 2007).

### 4. Result and Discussion

The quality assurance target set by PT. TLK causes all division in PT. TLK to show their commitment to create the finest quality of the product and services of PT.TLK Implementing and supporting the value delivery to the customer need integrated manual so that PT. TLK can reveal its identity as a world class and professional company. This manual is written by PT. TLK management based on the criteria of quality manual. This manual is expected to be easily understood in doing work activity to improve the customer service. Following is the explanation of quality manual in PT. TLK:

#### 1. Leadership

Senior leadership informs and implements the quality manual as expected and as the characteristic of the customer and it also matches with Vision and Value PT. TLK in achieving TQM. The effort done by senior leadership in which the purpose of triggering the PT. TLK's employees to implement the quality manual that becomes the guidance in achieving quality performance and improvement is as follows:

- a. Service excellence is developed regularly to adapt the customer and market expectation so that service excellence can be felt by the customer.
- b. To ensure whether all employees comprehend the strategy and objective of the quality manual by informing the employees and measuring effectiveness.
- c. To ensure that all employees mutually understand the quality manual so that they can implement quality manual programs according to each employee's job description. Senior leadership also reviews the quality improvement programs' achievement, measures program achievement, and evaluate each program.

#### 2. Strategic Planning

PT. TLK management employ strategy and planning program of quality manual regarding customer in both short and long term program by paying attention at internal and external capability (competition level, market, customer expectation). The strategic planning in doing action plan of quality manual

is based on key performance indicator (KPI) whose purpose is to ensure the objective is achieved. The action plan of quality manual program is conducted by unit work which is based on their job description respectively with the result which matches KPI.

#### 3. Service Mindset

Service mindset is divided into two parts, namely:

a. Service competency consists of:

1. Personal competency: assuring personal quality process of frontline staff which support quality assurance program
2. Competency development: the implementation process of competency development for all frontline staff.

b. Customer contact consists of:

1. Code of conduct: it is implemented in frontline staff
2. Service quality: service control mechanism of frontline staff which is adjusted to customer expectation.

#### 4. Valuable Customer Relationship

The valuable customer relationship is divided into two parts, namely:

a. Customer knowledge consists of:

1. Customer profile: customer profile data assuring process including customer service data are fully available, accurate, updated, and accessible as user authority is applied.
2. Need and want: the assuring process of need and want customer data are fully available, accurate, updated, and accessible as user authority is applied.

b. Customer loyalty consists of:

1. Customer retention: the process of program visiting assuring, retention program or reward is established and implemented as customer characteristic.
2. Emotional relationship: customer relationship development process both at institutional and personal level must be maintained so that *understand, trust, and care* will grow.

#### 5. Product and Service

The establishment regarding product and service is categorized into two parts, namely:

a. Product acceptability:

1. Product offering: providing product and service matches customer characteristic
2. Product performance: it is the product control in keeping the excellent performance of the product and services and it has matched the customer specification and excellence of the product.

b. Pricing acceptability:

1. Pricing offering: pricing offering matches the customer characteristic and the price is appropriate among the competitors.
2. Value based pricing: it is the price and value appropriateness evaluation gained by the customer.

#### 6. Delivery System

Delivery system process includes two types as follows:

a. Delivery system design consists of:

1. Delivery plan: it is a product or services delivery plan process of PT. TLK including the confirmation the



availability production tool and material which will be delivered.

2. Delivery capability: it is support control delivery mechanism process matches customer satisfaction in regard to staff competency, tools, and reliable IT system.

b. Service delivery consists of:

1. Delivery process: it is an installation control mechanism process is going well as what is written on the contract and the process of ensuring the progress of installation is accepted by the customer
2. Maintenance process: it is the mechanism of preventive control process and corrective maintenance which is conducted as customer expectation, and assurance mechanism, and product or service performance matches with what is written on the contract.

Quality manual implementation gives positive effect to PT. TLK. It can be seen from the increasing performance and revenue of West Java division business unit. Telco product and Wireline which are the main focus of PT. TLK product services can be well-managed and become excellent product for the customer.

However, PT. TLK will remain evaluating and reviewing the performance in order to achieve the finest quality management and the improvement of quality assurance. The business result of quality manual implementation at PT. TLK can be seen on Table 1.

**Table 1:** Business Result PT. TLK (2013-2014)

No	Aspects	Result
1	Unpaid Customer Caring	Increase by 36.57%
2	Restitution Decline	the biggest decline occurs in National scale (Inter-business unit at PT. TLK)
3	Service Disruption Complaint	Decreased from last year
4	Customer Satisfaction Index	Improve up to 95.01%, the first place in National scale (Inter-business unit at PT. TLK)
5	Product Sales	improvement trend

## 5. Conclusion

PT. TLK's quality manual consists of six criteria, namely, leadership, strategic planning, service mindset, valuable customer relationship, products and services, and delivery system. Those criteria are used as a guidance and manual for all PT. TLK's employees in doing business activity at the company. The result of the PT. TLK's quality manual implementation gives positive effect which can be seen from the increasing performance and from business process done. The business result of PT. TLK's quality manual implementation can be concluded from five aspects: unpaid customer caring which improve by 36.57%, the decline of restitution occurs in national scale, the decrease of service disruption complaint, the increase of customer satisfaction up to 95.01%, and the existence of the increase of speedy sales from time to time.

The business process which is done continuously in the implementation of TQM at PT. TLK should be prepared and fixed in order to improve the quality of the company management. Efforts in PT. TLK's quality assurances should be improved by adding some criteria supporting the quality manual of PT. TLK.

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