

# **CREATING CUSTOMERS' SATISFACTION THROUGH TOTAL QUALITY MANAGEMENT (TQM) IN S1 STUDENTS OF MANAGEMENT DEPARTMENT OF ECONOMICS FACULTY OF XYZ UNIVERSITY**

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## **ABSTRACT**

*The purpose of this study is to determine the efforts made by the S1 Management Study Program of Economics Faculty of XYZ University in applying Total Quality Management to increase customers'/students' satisfaction. This study used a descriptive qualitative method, which described the experiences of the informants, namely structural officials, lecturers, administrative staff and students on the efforts that have been given to increase students' satisfaction. The results of this study indicate the application of 10 elements of Total Quality Management, namely focusing on customers, obsession on quality, scientific approach, long-term commitment, teamwork, continuous system improvement, education and training, controlled freedom, unity of purpose, and involvement and empowerment of employees have been carried out well and managed to meet the expectations of the students.*

**Keywords:** *Total Quality Management, Quality, Customers' Satisfaction, System Improvement*

## **INTRODUCTION**

One of the efforts of higher education institutions to improve the quality of human resources (HR) is by applying the *Total Quality Management (TQM)* system which is an approach in running a business to maximize competitiveness of institutions through continuous improvement of products, services, people, processes and the environment. In order for higher education to have high competitiveness on global scale, it must be able to do work better, effectively and efficiently in producing high-quality graduates. In the future, it will no longer rely on comparative advantage only but it must increase competitive advantage as well.

The development of management thinking in schools and colleges today leads to a management system called TQM (Total Quality Management) or Integrated Quality Management. According to Nasution (2004: 46) TQM is functional management with an approach that is continuously focused on improving quality, so that its products are in accordance with the quality standards of the people served in the implementation of public service and community development tasks. The concept departs from management as a process or series of activities to integrate the resources they have, which must also be integrated with the phasing of the implementation of management functions, in order to

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realize work as an activity to produce something qualified. Every work in integrated quality management must be carried out through the stages of planning, preparation (including materials and tools), technical implementation and comprehensive evaluation in all aspects / sections. As one of the oldest study programs in the Faculty of Economics, there are many experiences in managing the existing work programs. The phenomenon that occurred in the last 2 years has decreased the number of students and this condition has prompted the researchers to find out the reason for the decline in the number of new student admissions especially at the Faculty of Economics of XYZ University. Based on these observations, the researchers want to review the efforts that have been made so far by the Faculty of Economics S1 Management study program in relation to *Total Quality Management* in order to increase customers' satisfaction, in this case is the students.

## LITERATURE REVIEW

TQM literally comes from the word "total" which means whole or integrated, "quality" which means quality and "management" which means management or supervision. Thus, from the original words TQM can be interpreted as integrated quality management.

Integrated quality management is a concept of improvement that is carried out continuously and involves all elements and employees at every level of the organization in order to achieve the best quality through the management process (Prawirosentono, 2001: 17). In accordance with the definition (*ISO*), *TQM* is management approach to an organization that focuses on quality and is based on the participation of all members which aims to achieve long-term success through customers' satisfaction and provides benefits for all members of the organization.

According to Nasution (2001: 28-30) there are 10 elements in TQM, namely:

1. Focus on customers
2. Obsession to quality
3. Scientific approach
4. Long-term commitment
5. Teamwork
6. Continuous system improvement
7. Education and Training
8. Controlled freedom
9. Unity of purpose
10. Involvement and empowerment of employees

The goal of TQM is basically to produce qualified products or services. Tjiptono (2003: 10) explained that the basic rationale of a company implementing TQM is that companies can compete and excel in global competition by producing the best quality. To produce the best quality, it requires continuous improvement on the capabilities of the resources owned.

Gasperz (1997: 4) divides the notions of quality over conventional understanding and strategic understanding. Conventional understanding of quality describes the direct characteristics of a product such as performance, reliability, ease of use, aesthetics and so

on. While the notion of strategic quality states that quality is everything that is able to fulfill the customers' wants or needs (meeting the needs of customers).

According to Tjptono (1997: 147) customers' satisfaction is someone's feeling of pleasure or disappointment that appears after comparing the product or service thought about with the expected performance or results. Something is said to be satisfied if the results received exceed the expectations and are said to be dissatisfied if the results received are not as expected.

## METHOD, DATA AND ANALYSIS

Method of collecting data as follows interview, participant observation and document record. The purpose of these method is to obtain data on what TQM elements have been applied in S1 Management Study Program at XYZ University.

Data analysis consist of data reduction, description and interpretation. The purpose of these data analysis is to get a description of one's experience related to the pattern of TQM application in S1 Management Study Program at XYZ University in order to increase students' satisfaction.

Data analysis was done with data collection concurrently. Data analysis cannot be separated from the *data collection*. Therefore, when the data were collected from *interviews*, *participant observation* and *document record*, data analysis must be carried out immediately to determine the next data collection. Final and thoroughly analysis was carried out when the data had been collected and interpreted for conclusion.

**Table 1:**  
**Research Design**

Dimension	Phenomenologist
Focus	How can the implementation of TQM increase Students' Satisfaction?
Data Collection	Multiple source: Interview, Participant Observation, Document Record
Data Analysis	Experience Description of S1 Management Study Program of Economics Faculty of XYZ University in managing TQM elements and the experience of students receiving the implementation of TQM
Product of The Study	Description of TQM implementation patterns to increase students' satisfaction

## CONCLUSION

**Table 2:**  
**The Identification of Pattern and Concept**

Research Issues	Answer Category Cluster	Pattern and Concept
How is the implementation of TQM in S1 Management Study Program of Economics Faculty of XYZ University in	Management patterns that have been carried out: 1. Providing the best to students. 2. Providing convenience to students 3. The selection of Lecturers who are in line with specification 4. Making an interesting lecture / teaching curriculum	The pattern of TQM implementation in order to increase the students' satisfaction of S1 Management Study Program of Economics Faculty of XYZ University has been included in 10 elements, namely: quality improvement, commitment, teamwork, focus on customers / students, education and training, equality of goals,

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order to increase the students' satisfaction?	5. Completing public facilities for students, such as toilets, libraries, mosque, SMEs as well as training / seminar	involvement of all employees, improvement of system, scientific approach and found 1 new variable, namely improvement of student ethics as the formation of students with character (polite, honest, ethical and responsible).
	<p>The Form of TQM:</p> <ol style="list-style-type: none"> <li>1. Management Supervision</li> <li>2. Improving the pattern or system of the company</li> <li>3. Quality improvement efforts</li> </ol> <p>The Elements of TQM Program:</p> <ol style="list-style-type: none"> <li>1. The Improvement of Quality</li> <li>2. Commitment</li> <li>3. Teamwork</li> <li>4. Focus on consumers</li> <li>5. Education and training</li> <li>6. Equality of purpose</li> <li>7. Involvement of all employees</li> <li>8. The improvement of system</li> <li>9. Scientific approach</li> <li>10. Controlled freedom</li> </ol> <p>Suggestions for Increasing Students' Satisfaction:</p> <ol style="list-style-type: none"> <li>1. Increasing Education and Training for lecturers and staff</li> <li>2. Expanding parking space</li> <li>3. More coordinated planning</li> <li>4. Improving students' ethics</li> </ol>	

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## MANAGERIAL IMPLICATION

Based on the results of interviews with the informants, 11 variables or elements of Total Quality Management (TQM) applied to S1 Management Study Program of Economics Faculty of XYZ University consisting of 10 TQM elements according to Nasution (2001: 28-30) and 1 variable namely ethics debriefing for students were found. The 11 elements are:

### 1. Focus on Customers

As educational institution based company, the S1 Management Study Program of Economics Faculty of XYZ University prioritizes students where they are also as consumers or customers, so that their satisfaction is prioritized. All facilities and infrastructure such as the comfortable classrooms equipped with air conditioning, LCDs and clean places, as well as public facilities such as free Wi-Fi, toilets, parking lots and libraries, were all given to satisfy students during the study period at the Economics Faculty of Semarang University.

### 2. Obsession to quality

One type of obsession to quality improvement in the S1 Management Study Program of the Economics Faculty of XYZ University is the improvement of the SIA System which is always evaluated every semester by structural officials of the Economics Faculty. Through this SIA system, students feel the ease of the process for taking subjects as needed and the selection of lecturers of interest.

### 3. Scientific approach

The scientific approach is applied to get good grades from students through seminars and general studium as well as training such as computer and English, PKM activities facilitated by faculty to add the insight and the competency skills acquired by students during their studies in the Economics Faculty of XYZ University.

### 4. Long-term commitment

The evidence of long-term commitment of the S1 Management study program of XYZ University is known based on the period of the establishment of the Economics Faculty of the University since 1987 until now. The development and the changes in curriculum that occur and the addition of Postgraduate study programs at the Faculty of Economics are also supporting evidence of a strong commitment that the Faculty of Economics through many processes in a long time to focus on providing education or lectures that are increasingly updated in the quality.

### 5. Teamwork

Teamwork needed to improve students' satisfaction in the S1 Management study program is the cooperation among the internal employees, lecturers and administrative staff within the Faculty of Economics themselves as well as cooperation with the central party in this case is good coordination with the University so that all activities related to students run smoothly, there will be no events or activities collide or overlap.

### 6. Continuous system improvement

Continuous system improvement that has been realized in the S1 Management Study Program of the Economics Faculty is applied as an ongoing quality improvement effort started with the motivation among the lecturers, the administrative staff, the librarians and the cleaning service employees in a gradual and well-coordinated manner.

### 7. Education and Training

In order to improve quality in the field of education, the improvements in education and training for lecturers, employees and students are always the main priority for the advancement of the education system in the S1 Management study program in particular.

### 8. Controlled freedom

Controlled freedom within the Economics Faculty of S1 Management study program is contained in the freedom of the parties involved in daily operations such as lecturers, students and employees to show their respective performance in a controlled free manner according to their personality characters. The examples of controlled freedom from students are in communicating with lecturers and employees still maintain courtesy, also the freedom to teach according to the character of the lecturer as long as it is in accordance with the rules of the faculty.

### 9. Unity of Purpose

The unity of purpose realized in the S1 Management study program of XYZ University is the aim of creating lectures that are conducive and able to produce qualified and competitive graduates. Through this goal all parties involved contribute to each other according to their respective positions.

#### 10. Involvement and empowerment of employees

It is undeniable that the involvement and the empowerment of employees is urgently needed to help structural officials in socializing and being an extension of hands to help the needs of students and lecturers administratively. The alacrity and hospitality of these employees are the key holders of the success of the realization of all systems that can increase students' satisfaction.

#### 11. Ethics debriefing for students

Of the 10 elements of Total Quality Management that have been pursued by the S1 Management study program of XYZ University, from the results of the interview, the researchers found that ethics debriefing is needed for students to shape the strong, tough, responsible and ethical students' character thus when students become alumni and starting to enter the workforce will have good scientific competencies supported also by good and ethical personalities so that the alma mater will be more proud.

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