
Internal Service Quality Enhancement for External Appeal: A South African Perspective

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ABSTRACT

The main problems in service quality programmes seem to stem from methods and strategies used rather than actual service quality improvement itself. The present study is based on a questionnaire survey of organisations that had in fact implemented a service quality strategy. Several organisations studied here, indicated that the implementation of these programmes without measuring results, ended up wasting resources on non-value adding uses. This can be partly attributed to the complexity of available software. Another problem arises because organisations fail to understand the dynamics of change. Service quality was thus seen as a quick fix, treating symptoms instead of underlying problems. This study concludes that organisations should implement such strategies not only with commitment but correct and with relevant information and knowledge.

JEL M 31

INTRODUCTION

At inclement economic times, many managers have developed a spontaneous reflex to trim business activities that do not have an obvious effect on profits. Service and service quality appear to be a favourite victim, as many service activities may seem immaterial and returns on spending tend to accrue only over the long term (Davidow and Uttal, 1989).

Further issues complicating service quality are the barriers in the way to service excellence, like the size of corporations, layers of bureaucracy, legal restrictions, diverse customer requirements, increased domestic and international competition, and scarcity of committed and competent service employees (Bell, 1996). Barriers to entry have however also decreased in many cases, for example, geographic

restrictions on service delivery have been reduced, there is more freedom to compete on price, and existing organisations often find themselves able to expand into new markets or new lines of business. Some such changes represent relaxation of government regulation and much can still be done to strengthen customer protection laws, improve safety and public security, and protect the physical environment (Lovelock, 1991). These issues are especially pertinent in the third world environment, where people may remain complacent and exploitation is sometimes the order of the day.

To overcome these problems organisations are increasingly encouraged to enhance service quality. Thanks to the emphasis on customer satisfaction, organisations are realising that value-added marketing is more than offering a good product, backed by professional service. It is an entire system that includes speed, convenience, follow-up and, most important, a relentless pursuit of customer satisfaction (Cates, 1991). These factors can however not operate in isolation, but form part of an entire network based on service quality principles.

In the course of the movement towards service quality, many large organisations have been transformed from a predominantly manufacturing to a service organisation, by including services as part of their total offering. These services or supplements are insufficient in themselves and must be further augmented by the element of interpersonal contact, i.e. the way the customer is treated (Barnes and Glynn, 1993). This customer treatment should be understood and applied by every employee, thus placing the importance of the message squarely on the shoulders of management. A problem identified by Puth and Ewing (1998) is that in the movement from a manufacturing-cum-sales culture to a service culture, managers often accept the logic behind the new way, but lack the basic know-how and skills required for the effective implementation of the change. Furthermore, the list of activities that an organisation should follow in order to retain its customers, appears to be endless in an increasingly competitive and, especially, diverse market. But there does not seem to be an alternative.

RESEARCH METHODOLOGY

The research problem that prompted this study can be stated as follows: Are there differences between the academic evolution of the service quality concept and the practical experience thereof in the South African market? Or in other words: Do South African organisations reap the benefits of service quality implementation

promised by the academic protagonists of service quality? The ultimate purpose is to provide insight into managerial behaviour.

The objectives of this study were the following: First, to determine whether or not service quality programmes are implemented successfully in the South African market. Second, to identify the main driving forces behind the decision to implement such strategies. The third objective is of an operational nature, seeking to determine the impact of service quality programmes and to test whether the practitioners did receive the benefits held out by their academic supporters. The fourth and last objective is to determine whether the organisations under review focus on internal or external initiatives/interventions in their service quality programme.

The target population (265 organisations) for this study were all the respondents in the Business Transformation Survey done by the Insight Customer Satisfaction Consultants. From this target population, the sampling frame was identified as those respondents who listed the implementation of a service quality programme as a platform for transformation. Here 140 organisations were identified and taken into the sample. This way the research was related to a population with knowledge of the subject at hand. The response rate achieved came to 44.28% – or 62 organisations. Although this may seem a rather small sample, it should be taken into account that very few South African companies have formally implemented service quality programmes. But using any other organisations would have resulted in less reliable information.

As part of the data collection procedure, a questionnaire was designed to collect the data from the respondents (Kinnear and Taylor, 1996). The source of the individual items used in the process were identified from relevant literature. As the objective was to determine the differences in perception between academic protagonists of service quality and business people with experience thereof, it was important to test what may be called the academic promises of service quality programmes.

The questionnaire made use of a segmentation question to distinguish between longer running and shorter running programmes since academic advocates of the service quality principles argue that longer running programmes have higher pay-offs (Davidow and Uttal, 1989). The questionnaire mainly consisted of scale questions to test expectation and perception, as well as importance and performance of service quality issues and techniques. The questions used a bipolar, seven-point Likert scale which is one of the most widely used attitude-

measurement techniques in marketing research (Diamantopolous and Schlegelmilch, 1997). This scale is ideal for the present research, as it can collectively measure a large number of statements that meet two criteria, namely each statement is believed to be relevant to the attitude studied, and each is believed to reflect a favourable and unfavourable position (Emory and Cooper, 1991).

Due to the length of the questions used, the questions themselves are not listed here – only the comments. The questionnaire was divided into three main sections.

Firstly, a group of statements was designed to identify the driving force behind the organisation's decision to implement a service quality programme. This indicates whether external forces (changing market needs, international benchmarking) and/or internal problems (deteriorating profitability, declining turnover, loss of market share, productivity inefficiencies, inappropriate employee attitudes) gave rise to the decision to implement such a programme. This aspect was tested in H_2 and H_3 .

The second group of statements was formulated to ascertain whether managers set out on a programme with a clear idea of what they expected to achieve, and to determine whether these expectations were realised. The difference between *ex ante* and *ex post* variables were either cause for concern or a source of satisfaction, depending on the algebraic sign of the gap. The aspects listed in this section were compiled from academic literature, where the authors stated that service quality would yield benefits such as market share, cost reduction, profit margins (Fornell, 1992; Hauser, 1993; Rust and Zahorik, 1993; Devlin and Dong, 1994; Stafford, 1994; Tatikonda and Tatikonda, 1996, *et al*). This category was tested in H_4 to H_8 .

The last group of statements included were to test whether managers know which tools or techniques need to be emphasised in order to improve service quality in an organisation. A manager would thus indicate the importance of certain service quality interventions and then the organisation's performance in each case.

Statistical procedures used

The reliability of the research was tested in H_1 (the instrument used to assess the reliability of service quality programme implementation) by using Cronbach's Alpha or the coefficient alpha (Malhotra, 1993). This method is highly applicable to multi-item scales at the interval level of measurement (Emory and Cooper,

1991). As the majority of questions is based on a Likert scale, this method of reliability testing can be deemed effective.

After reliability had been established, two statistical procedures were used to test the validity of the hypotheses. Firstly, Student's t-distribution was used to analyse H_2 and H_3 . This method was used because the standard deviation was unknown and the sample size relatively small. This method is also suitable in situations where groups of factors are tested at one time (Malhotra, 1996). Then the analysis of variance (ANOVA) was used for testing H_4 to H_{10} . ANOVA works on the assumption that the means of several populations are equal. It represents a one-way analysis of variance and uses a single factor, fixed effects model to compare the effects of one factor on a continuous dependent variable (Emory and Cooper, 1991). Since the hypothesis under discussion has a continuously dependent variable, ANOVA was satisfactory for this measurement. It should be mentioned that one of the assumptions of ANOVA is that it is used to compare two different populations. In this study the same population was used to measure a difference in perception based on a time frame difference. One measure was taken before the program was launched and another after the program had run for at least 6 months. This should bridge the problem, nevertheless one should caution against the absolute generalisation of the findings.

DESCRIPTIVE RESEARCH AND GENERAL FINDINGS

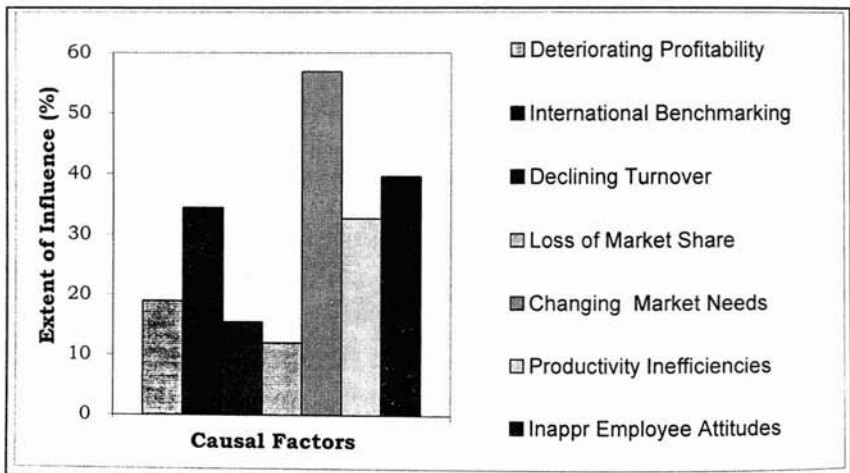
This section addresses the descriptive information gathered in the study. The results of each section of the questionnaire are first shown on a graph, after which conclusions and findings will be discussed.

Why did these organisations decide to implement a service quality programme?

Figure 1 shows the results pertaining to the driving forces in the organisation's decision to implement a service quality programme. To measure the importance of the various forces a bipolar, seven-point Likert scale was used. The vertical scale measures the influence of each driving force – i.e. causal factor – on the decision to introduce a service quality programme, in ascending order. Respondents were asked to rank each driving force along a scale from 1 to 7.

The factor with the greatest influence on the decision to implement a service quality programme, is *changing market needs*. (This will be statistically proven in the following section.) The marketplace is dynamic and any organisation lagging behind these changes, will inevitably lose market share and fall behind other organisations. Organisations should therefore invest in ongoing research to ensure the correct assessment of today's and especially tomorrow's market needs (Berry, Parasuraman and Zeithaml, 1994; Slater, 1996).

Figure 1: Factors influencing the implementation of a service quality programme



Other important factors driving this decision are *inappropriate employee attitudes* and *productivity inefficiencies*. Both these problems are characteristic of the South African market and employee attitudes, in particular, should be researched to identify the reasons behind their unsatisfactory nature. Employee research has been stressed by Berry, Parasuraman and Zeithaml (1994) and Peak (1996) as one of the key elements in becoming a quality leader. Defining employees' roles clearly, consistently and credibly is important to any organisation's efforts to improve service (Zeithaml, Berry and Parasuraman, 1988; Berry, Zeithaml and Parasuraman, 1990).

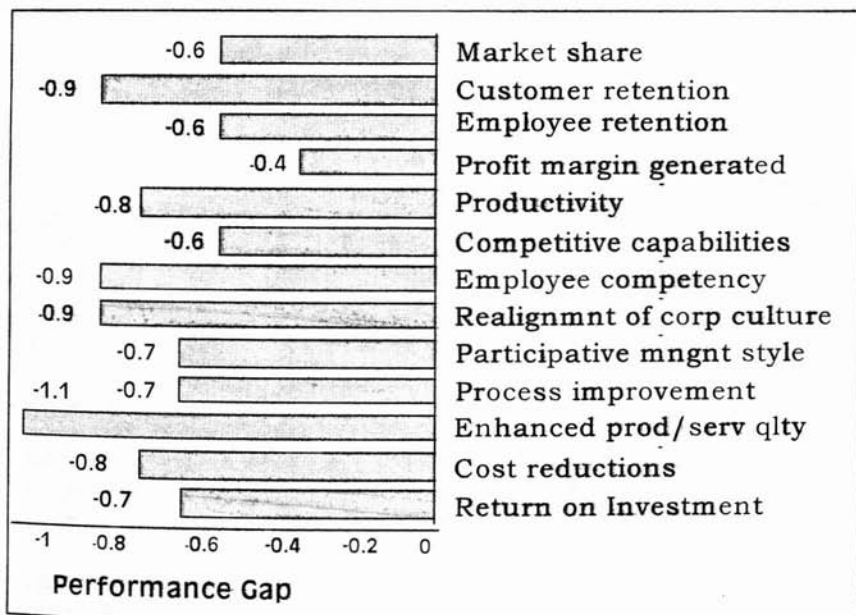
Another important driving force appears to be *international benchmarking*. As the South African market is comparatively new to the international arena, this factor is

likely to become stronger as the intensity of competition in the marketplace increases.

Do South African organisations reap the benefits of service quality programmes as promised by academic supporters?

Figure 2 shows the results of measuring the gap between respondents' expectations concerning the service quality programmes on the one hand, and their perceptions of the actual performance achieved on the other. A negative result indicates dissatisfaction, a zero result indicates technical satisfaction, and a positive result indicates higher levels of satisfaction.

Figure 2: The Expectation - Performance Gap



In all cases, managers expected more from the service quality programme than what it actually delivered. This means that expectations are not being met, especially in such areas as enhanced product/service quality, customer retention, productivity, employee competency, corporate culture realignment, cost reduction

and return on investment. All these aspects can be linked in one way or another to the bottom line of the organisation. The high expected score attached to these attributes may be seen as an indication of the pressure on management to prove the accountability of service quality investments.

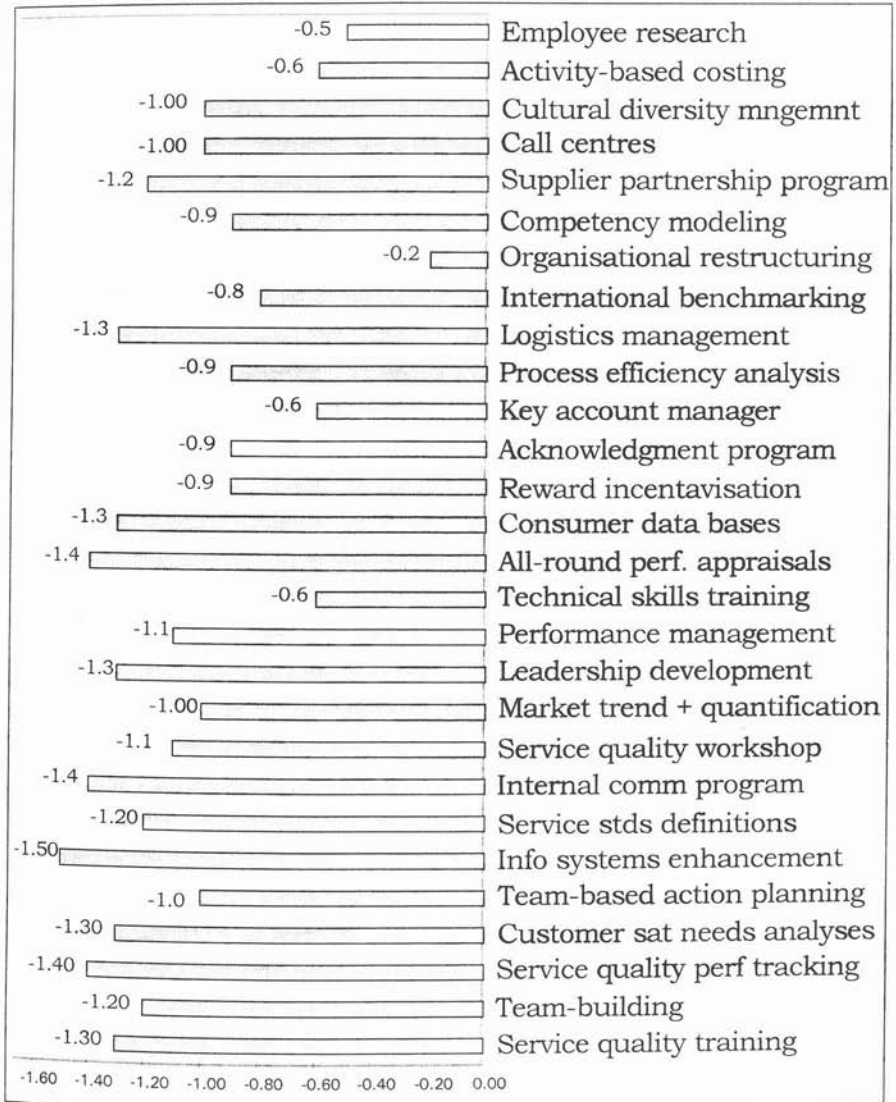
Initiatives/Interventions used in service quality programmes

The results represented in Figure 3 indicate the difference between the importance associated with a given initiative/intervention and its actual performance. The same principle of gap measurement was used as explained in Figure 2, and again a negative result indicates a problem area while a positive result indicates successes achieved.

Although all interventions produced a negative gap, the following gaps indicated particularly substandard performances: *information systems enhancement, service quality performance tracking, internal communication, all-round performance appraisals, service quality training, customer needs analyses, leadership development, consumer databases and logistic/supply chain management.*

A core problem experienced by the organisations appears to be internal customers, or employee issues and with that leadership development. It is especially interesting to note that the primary data set indicated that the least important attribute identified in this research was *employee research* in comparison with all the other initiatives/interventions. These issues represent the internal processes and functions within the organisations that decisively affect the level of service quality rendered by the organisation. Problems often result not from employees, but rather from the system in use, for which management is responsible (Babbar, 1992; Bricknell, 1996 and Coulson-Thomas, 1996). Managers should therefore design effective systems that will assist the employees in their tasks. In order to ensure a high level of service quality, both Tompkins (1992) and Weitzel, Schwarzkopf and Peach (1989) emphasise the importance of employee satisfaction, since people are the primary source of a competitive advantage in a service oriented organisation.

A further problem is *customer satisfaction needs analyses* and *customer data bases*. This problem is a common third world phenomenon and can be partly attributed to the lack of relevant and timely information and of appropriate technology to assist in gathering information. These issues can only be dealt with through ongoing and improved customer research, and represents a key to success as this knowledge can provide the organisation with a competitive advantage in the marketplace.

Figure 3: Performance Gap of Initiatives/Interventions

Perception of overall success achieved with the service quality programme

The perception of overall success achieved was measured with the help of a ten-point, bipolar scale where 1 indicated poor overall success and 10 excellent overall success. The mean indicated the average success of the programme to be 6.19, which suggests that most of the programmes are considered as relatively successful by the respondents. Although almost all the gaps evaluated were found to be below expectation, respondents are not relinquishing their confidence in the success that these programmes can achieve for an organisation if implemented correctly.

HYPOTHESIS TESTING

The results of the empirical testing of the ten hypotheses are listed and discussed below. The hypotheses have been divided into four categorising subsets.

Category 1: Hypothesis regarding the reliability of the instrument used to assess service quality implementation.

H₁: The instrument used to assess service quality programme implementation is reliable.

The results indicated that the instrument scored high coefficient alphas (0,88; 0,88; 0,89; 0,88), which are above the customary cut-off point set at 0,6 (Malhotra, 1996). The measuring instrument can therefore be deemed reliable.

Category 2: Hypothesis regarding the driving force behind the organisation's decision to implement a service quality strategy.

H₂: When studying the extent of the influence of various forces on the decision to implement a service quality strategy, the influence of external forces is significantly stronger than that of internal problems/forces.

Table 1: Testing of hypothesis 2 in terms of external and internal drivers

Drivers	Mean	Std.Dv	T	Df	p
Internal drivers	3.877	1.322			
External drivers	4.721	1.554	-3.665	51	0.0005892

The mean scores of each of the two groups of drivers were calculated. Internal problems/forces included: deteriorating profitability, declining turnover, loss of market share, productivity inefficiencies and inappropriate employee attitudes. The external drivers were identified as international benchmarking and changing market needs.

The findings of the test were significant ($p=0.00059$), indicating that the influence of external forces on the decision to implement a service quality strategy was significantly stronger than that of internal forces/problems.

H₃: Changing market needs have a significantly stronger influence on the decision to implement a service quality strategy than international benchmarking.

Table 2: Testing of hypothesis 3 in terms of changing market needs and international benchmarking

Drivers	Mean	Std.Dv	T	Df	p
International benchmarking	4.291	1.997			
Changing market needs	5.273	1.373	-3.447	54.000	0.001

A Student t-test was used to test this hypothesis and the outcome was $p=0.001$, signifying that changing market needs have a significantly stronger influence on the decision to implement a service quality programme than international benchmarking.

Category 3: Hypothesis regarding the impact of the implementation of a service quality strategy.

H₄: The success achieved in increasing market share is significantly higher with service quality programmes implemented prior to 1995 than with programmes implemented since 1995.

Table 3: Testing of hypothesis 4 in terms of market share

Market Share			
		F	p
Prior to 1995	4.15	2.155	0.149
From 1995	4.7		

To test this hypothesis, ANOVA was used where the significance criteria were set at $p < 0,05$. As the p-value was found to be 0,14862, it can be assumed that the success achieved in increasing market share was not significantly higher in longer-running programmes. The null-hypothesis can therefore be accepted that there are no significant differences in increasing market share between longer-running programmes and shorter-running programmes, i.e. those implemented since 1995.

H₅: The success achieved in increasing profit margins is significantly higher with service quality programmes implemented prior to 1995 than with programmes implemented since 1995.

Table 4: Testing of hypothesis 5 in terms of profit margins generated

Profit margin generated			
		F	p
Prior 1995	4.4	0.379	0.541
From 1995	4.655		

Programmes implemented prior to 1995 showed a smaller deviation from the hypothesis than programmes implemented after 1995. The difference can however not be regarded as significant as $p = 0,541$ when using ANOVA to analyse the data.

H₆: The success achieved in improving competitive capabilities is significantly higher with service quality programmes implemented prior to 1995 than with programmes implemented since 1995.

Table 5: Testing of hypothesis 6 in terms of competitive capabilities

Competitive Capabilities			
		F	p
Prior 1995	5.095	0.049	0.824
From 1995	5.167		

The p-value was found to be 0,824288. Hypothesis 6 therefore had to be rejected as competitive capability did not improve significantly when the programmes were implemented over a longer period of time.

H₇: The success achieved in generating an increased return on investment is significantly higher with service quality programmes implemented prior to 1995 than with programmes implemented since 1995.

Table 6: Testing of hypotheses 7 in terms of return on investment

Return on Investment			
		F	p
Prior 1995	4.500	0.018	0.895
From 1995	4.552		

It was disturbing to note that the success achieved in return on investment did not seem to increase significantly the longer the programme ran. The ANOVA revealed a significance of $p=0,895$ on this hypothesis. Hypothesis 8 was accordingly rejected.

H₈: The success achieved in reducing costs is significantly higher with programmes implemented prior to 1995 than with programmes implemented since 1995.

Table 7: Testing of hypothesis 8 in terms of cost reduction

Cost Reduction			
		F	p
Prior 1995	3.9	3.103	0.085
From 1995	4.607		

There was an apparent difference in the mean scores for cost reduction between programmes implemented prior to 1995 and those implemented since 1995, yet the ANOVA tested the significance at $p=0,085$. When using 95% reliability criteria, as with the other hypotheses, this hypothesis would have to be rejected, but if it is evaluated on the basis of a 90% reliability level it could be accepted. Hypothesis 7 was thus accepted on a 90% reliability level as it proved to be more significant than the other hypotheses in category 3 concerning market share, profit margins generated, competitive capabilities and return on investment.

Category 4: Hypothesis regarding the initiatives/interventions used to achieve service quality.

H₉: The higher an organisation's perception of the importance of leadership development when implementing a service quality strategy the better the performance on the attribute (leadership development) will be.

Table 8: Testing of hypotheses 9 regarding leadership development

Leadership Development		
Development and performance	F	p
Leadership development	4.815	0.001

There was a strong correlation between organisations that attached high levels of importance to leadership development and those that performed better on this attribute. It can therefore be accepted that the more organisations focus on the importance of leadership development, the better the performance in this regard will be. This is indicated by the ANOVA analysis where a significance level of $p=0,001$ was achieved. Hypothesis 9 was accordingly accepted on a 95% confidence level.

H₁₀: The more an organisation focuses on employee research in the implementation of a service quality strategy the better the performance in employee issues will be.

Table 9: Testing of hypotheses 10 regarding employee research and employee issues

Employee Issues (vs. Importance of Research)		
Employee issues	F	p
Employee issues vs. employee research	2.646	0.049

The ANOVA analysis marginally indicated that the performance in employee issues was higher in cases where the organisations focused on employee research. The result is considered as marginal as the significance level was found to be $p=0,049$, which falls within the criterion of $p<0,05$, but if this number is rounded to two decimals it will place it just outside the set criterion.

SUMMARY OF MAIN FINDINGS REGARDING THE HYPOTHESES

It was established that South African organisations are moved more by external than internal factors into implementing service quality programmes. The external factor that proved to be the most significant driving force was changing market needs. The only way an organisation can adapt to new requirements is through ongoing customer research (Berry, Parasuraman and Zeithaml, 1994). The organisation that succeeds in becoming a learning organisation and thus establishes a knowledge-based advantage, will be the one to survive and prosper (D'Aveni, 1994 and Slater, 1996). This advantage will be significant, and at least to a degree sustainable, in the future market situation.

The third set of hypotheses ($H_4 - H_8$) tested the impact of the service quality programme on the overall success of the organisations studied. Here it was found that market share, profit margins, competitive capabilities and return on investment did not significantly increase the longer the service quality programmes were running. The only factor that showed a significant impact on success was cost reduction. All these factors represent benefits claimed by the academic supporters of service quality in their support of the concept. However, this study cannot conclude that these academic supporters are either right or wrong, since the programmes implemented had various deficiencies and were not an exact replica of what the academics had proposed. One of the deficiencies derived from the fact that the organisations in question tended to focus on external issues, which may be regarded as leading to cosmetic, not real, changes. The literature stresses the importance of treating the root causes of problems, and warns against symptomatic treatment by means of externally focused strategies (Akao, 1990; Hunt, 1993; Manganelli and Klein, 1994; Obeng and Crainer, 1994; Rust, Zahorik and Keiningham, 1994; Beach and Burns, 1995; Ghobadian and Terry, 1995; Hammer and Stanton, 1995). The findings of this study indicate that internal and structural problems were not accorded top priority in the programmes implemented – resources rather allocated to external problems, and in some cases even mere window dressing confused the real service quality issue.

The above-mentioned situation in $H_4 - H_8$ can be better understood when taking the following into account. Practitioners or business people implementing a service quality programme may struggle to grasp and determine the intangible benefits of service quality, since it is extremely difficult to determine what part of the success achieved by an organisation is due to service quality improvement. This is illustrated by the fact that cost reductions were perceived to contribute significantly

to the success of the organisations studied here, since this factor is easy to measure and results are readily perceived over a relatively short period of time. However, all the other aspects ($H_4 - H_7$) are less tangible and more difficult to isolate than cost reduction.

The last group of hypotheses led to the interesting conclusion that these organisations can be blamed for the below-expectation performance of their leaders and employees. The hypotheses in question held that if these organisations focus more on leadership development they would achieve higher performance scores in this respect. The hypotheses also held that organisations would not experience as many employee problems if they invest in employee research. This also has a bearing on organisations' tendency to neglect internal issues, that are of the utmost importance to the achievement of service quality excellence. Without internal strength, the objective of being competitive cannot be realised and the changes made will then seem to be no more than cosmetic changes resulting in less customer satisfaction.

It thus seems that the organisations in this study did not focus their efforts on internal issues, but rather tried to solve service quality problems externally. Many service quality programmes are implemented due to pressure in the marketplace, and organisations do often not have the knowledge to implement them in the most effective way.

COMBINATION OF DESCRIPTIVE RESEARCH AND HYPOTHESES FINDINGS

The research results identified problems such as inappropriate employee attitudes and productivity inefficiencies along side of leadership development problems. These results indicate that the organisations concerned underestimate the importance of leadership development and that employees are thus deprived of the support and guidance of a strong leadership corps. Many an author on service quality has emphasised the importance of leadership in the success of service quality implementation (Tanner, 1994; Bricknell, 1996; Coulson-Thomas, 1996 and Crosby, 1996).

Difficulties of internal communication may be one reason for the above-mentioned larger problems. It is important that organisations should realise that the difference between white-collar thinking and blue-collar doing has diminished, and organisa-

tions need the ideas of each and every employee. Employees that do not feel involved will also lack motivation and drive. Employees should therefore be empowered, encouraged, trained and supported to solve problems and control quality.

It is interesting to note that the problems identified in the research appear to have a chain effect. For example, the problems identified in inappropriate employee attitude can lead to customer retention problems, problems in corporate culture realignment and the inability to enhance the quality of the service. All of these issues emerged as problem areas in this research.

Another related issue consists of employee competency problems, which have increased together with problems of information systems enhancement. From the gaps identified in training, it is clear that insufficient resources are being allocated to training employees to adapt themselves to a changing working environment of ever increasing technological innovation. Investing in technology and training can also alleviate the problems experienced with productivity inefficiencies, as increased productivity is one of the major benefits of technology enhancement. With the help of technology, the workload of employees can be decreased to give them more time to spend with customers (Berry and Parasuraman, 1991 & 1992; Blumberg, 1991; Lovelock, 1991). Customers will then not be seen as a burden, as employees will be supported by information systems to assist them in quick and effective decision making.

In the light of these findings it seems that the problems experienced with employees are never-ending, yet the finding of hypothesis 10 stated that organisations focusing on employee research will perform better on employee issues. Organisations should thus determine where the main problem areas are, and then address these issues. People tend to be more loyal if they share a united, focussed cause. Satisfied employees will then, most probably, lead on to satisfied customers.

It is thus recommended that organisations look after staff relations and not make unfair demands, seeing that employees have a significant influence on the success of especially service organisations. As the competitive power of a service organisation lies in the competence and satisfaction of their employees, workers should be protected in order to retain customers in an increasingly competitive market.

LIMITATIONS

As with all projects of this nature, the study has some obvious limitations that militate against the generalisation of the findings.

- One obvious limitation is the sample size. Although there were good reasons for such a small sample, it would be interesting to repeat this research in future when more South African organisations have implemented service quality programmes.
- Although the questionnaire was confidential, the sensitivity of the information required may have made some of the respondents reluctant to disclose confidential information.
- As was mentioned in the research design, ANOVA was used for the testing of the hypotheses, even though one of the assumptions of ANOVA is that 2 different populations have to be compared. The reason for this is that although it is the same population the responses were in two different time frames – one before the implementation of the program and another at least six months into the program. Although this should bridge any problems, one should caution the reader against the absolute generalisation of the findings.

RECOMMENDATIONS

A number of factors identified in this study may be of benefit to researchers in the future.

- This kind of study should be repeated when the South African economy has been subjected to more intense competition, and more organisations have realised the benefits of investing in service quality.
- Simpler instruments for measuring service quality should be developed. Current instruments are extremely complex and organisations often find it difficult to use them effectively.
- More research should be done on change management and change models, particularly in respect of the implementation of service quality programmes. Such models would be of great value in the implementation of these programmes.

CONCLUSION

The research has clearly shown that the performance of service quality programmes has been below the expectations of South African practitioners. Although a cause for concern, one should keep in mind that life can only be understood backwards, but has to be lived forwards. It is therefore important that organisations adopt the philosophy of a learning organisation, and use past experience to improve the future performance of the organisation. A focus on quality will increase the organisation's competitive advantage, if the goal of the organisation ultimately becomes quality performance, based on a knowledge of the underlying causes that lead to service quality leadership.

Organisations should realise that quality is ultimately the delivery of value to increasingly value-conscious customers. Underlying the operations of every organisation – working like a spine or cerebral cortex – is its value delivery system. An organisation's performance can be regarded as the direct result of how effectively the system is structured and managed (Swartz, 1994). This focus on internal issues will support external processes and equip the organisation with the ability to provide the customer with what was promised something that leads to customer retention and loyalty.

In conclusion, organisations should understand that change is a continuous process. The Hunters will distinguish themselves from the Hunted (Swartz, 1994) in the way they go beyond restructuring and mere programme implementation, to continually transform and equip themselves to maintain a strong competitive position.

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