

# TQM and the Role of Customers' Orientation in Organizational Performance in the Nigerian Aviation Industry

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#### **ABSTRACT**

The prominence of the business adage that recognises customer as the king has been with us for many decade. However, it appears that in a Seller's market the customer may not necessary be considered as the king as he or she usually have no option but to buy the service or the goods available, because of scarcity. This is not to deny the fact that the satisfaction of customers can result to increased patronage of such services and products. Given this background, this study examined the role of customers' orientation in organizational performance in the Nigerian Aviation industry, given the adoption of Total Quality Management (TQM) by the industry. A total of 325 respondents were drawn proportionally from 8 domestic airlines in the country, and administered questionnaire. The respond rate was 313. The finding revealed a positive significant relationship between customers' orientation and performance in the Aviation Industry. However, customers' orientation was not considered a top priority, compared to other TQM factors like effective information, top management commitment" and suppliers' quality management. The study therefore found the existence of "seller's market", which in the absence of quality competition, leave the customers with no option than to patronize what is available. The study therefore recommended that the Nigerian Airlines should consistently monitor the perception of customers to their services so as to know where the gap lies between the offered service and expectations of customers.

**Key words:** Aviation industry, Customers' orientation, Organizational performance, Total Quality Management

#### **ABSTRAIT**

La proéminence de l'adage commercial qui reconnaît le client comme le roi est avec nous depuis de nombreuses décennies. Cependant, il semble que sur le marché d'un vendeur, le client n'est pas nécessairement considéré comme le roi, car il n'a généralement pas d'autre choix que d'acheter le service ou les biens disponibles, en raison de la rareté. Il ne s'agit pas de nier le fait que la satisfaction des clients peut se traduire par une fréquentation accrue de ces services et produits. Dans ce contexte, cette étude a examiné le rôle de l'orientation des clients dans la performance organisationnelle de l'industrie aéronautique nigériane, compte tenu de l'adoption de la gestion de la qualité totale (TQM) par l'industrie. Au total, 325 répondants ont été tirés proportionnellement de 8 compagnies aériennes nationales du pays et ont répondu au questionnaire. Le taux de réponse était de 313. La constatation a révélé une relation positive significative entre l'orientation des clients et la performance dans l'industrie



aéronautique. Cependant, l'orientation des clients n'était pas considérée comme une priorité absolue, par rapport à d'autres facteurs de TQM tels que l'efficacité des informations, l'engagement de la direction et la gestion de la qualité des fournisseurs. L'étude a donc révélé l'existence d'un «marché du vendeur» qui, en l'absence de concurrence de qualité, ne laisse aux clients d'autre choix que de fréquenter ce qui est disponible. L'étude a donc recommandé aux Nigerian Airlines de surveiller systématiquement la perception des clients vis-à-vis de leurs services afin de savoir où se situe l'écart entre le service offert et les attentes des clients.

**Mots clés:** industrie aéronautique, orientation clients, performance organisationnelle, gestion de la qualité totale

#### INTRODUCTION

The emergence of modern globalization in the twenty first century came with several changes. One of such changes is the transformation in the landscape of both commercial and industrial businesses. Many business enterprises are re-strategizing using comparative advantage to attract customers and sustain patronage in three major areas: price, service delivery, and quality (Yusof, 2003). When using pricing as the basis for competition, the organization with the lowest price may gain the greatest market share, provided that it delivers a product or service of comparable quality to its competitors (Yusof, 2003). Many organizations have also focused on customer-centricity. In this context, organization finds ways of improving the efficiency and effectiveness of service delivery, by focusing on understanding the users' value chain to gain knowledge about the users. This means providing value for money by improving quality of service (accessible for all and satisfactory customer experiences and outcomes). Engaging the customers remains the heart of service delivery culture (Qasim & Zafar, 2016). Many other companies have opted to use quality management as a competitive strategy.

The adoption of different approaches toward the realization of organizational goals has received supports from many scholars within the ambit of equifinality discourse (Gabor, 1990). Croft, 1996). The concept of equifinality suggests that organizational goals can be achieved by using a variety of different approaches (Tsang & Anthony, 2001). In this context therefore, no one right way exist towards achieving organizational goals; more so when the system is open. In an open system, feedback from the external environment is necessary and important (Wiele, & Brown, 2002). Exchange of feedback based on scanning, market research and evaluation of the external environment of the organization may provide inputs for organizational strategies and re-strategizing for the purpose of achieving organizational goals. One way organisations do this is through total quality management (TQM).

TQM practices can be utilized as a method for securing competitive advantage by helping organizations to use their resources efficiently and to provide quality products that meet the needs of their customers. Khan (2003) has asserted that companies that implement TQM effectively can offer more effective products and increase profitability and market share in the long run. In order to be profitable, companies must have both knowledge of, and the ability to meet customer expectations. Total Quality Management (TQM) provides organizations with the framework to be both efficient and effective, providing a broad competitive advantage in all three areas of quality, price and service delivery. It is in this



context that TQM is seen as an integrative organizational philosophy concerned with continuously improving the quality of products, services and internal processes in order to meet or exceed customer expectations (Baird, Hu & Reeve, 2011).

TQM is based on embedding customer focus in all organizational practices and processes, leading to the provision of high quality services and products that meet clients' needs. It proposes that customer satisfaction leads to loyal customers who repurchase. As the number of loyal customers that are acquired by a company increases, so does that company's chance of long-term success in the market. Khan (2003) researched on the impact of TQM on productivity and concluded that organizations that correctly embrace the TQM philosophy can expect significant improvements in its financial performance as well as customer and employee satisfaction. Given this understanding, this study seeks to assess the role of customers' orientation in organizational performance with focus on the Nigerian Aviation industry.

#### THE STUDY AREA

The Nigerian Aviation Industry (NAI) provides not only transportation of people, but also goods and services. In this context, the industry has encouraged trade, tourist travel and investment. In the analysis of the International Air Transport Association (IATA, 2012), more than 15,200 scheduled international flights depart Nigeria annually, destined for 32 airports in 30 countries. Domestically, air passengers rose from 6.36 million up from 6 million in 2018. International passengers also rose from 2.04 million in 2018 to 2.12 million in 2019.

The country report provided by the Air Transport Action Group (ATAG, 2004) showed that 48 routes connected Nigeria to urban agglomerations around the world as at 2010 with an average of 3 outbound flights per day along these routes. Eleven of these routes connected Nigeria to cities of more than 10 million inhabitants, with 4.8 outbound flights per day available to passengers. In 2011 domestic flight frequencies were higher as passengers benefited from 30 outbound flights per day from Abuja to Lagos Airport, and from 13 flights per day from Port Harcourt to Lagos Airport. However, many of these city-pair connections were only possible because of the traffic density provided by hub airports.

Nigeria's integration into the global air transport network internationally and within the West African sub-region is expected to open up foreign markets to Nigerian exports; lower transport costs, particularly over long distances, help to increase competition so that suppliers can service a wider area and potentially reduce average costs, through increased economies of scale (IATA, 2012). Expectedly, there is increasing airline competition even when quality of service and the satisfaction of customers' needs appear to be rated low. It is hoped that the adoption of TQM would enhance effective and efficient service delivery for customers' satisfaction and sustainability of the aviation goals. The contribution of the aviation industry to the overall growth of the economy even makes it very compelling. The expectation of the study, therefore, is that the findings will help managers in the aviation industry to develop appropriate strategies for meeting and exceeding customers' expectations thereby enhancing their competitive advantage and inducing sustainable growth.

There are ten (10) airlines currently operating at the domestic sector of the Nigerian Aviation Industry. These airlines include (1) Aero Contractors, (2) Air Peace, (3) Arik Air,



(4) Azman Air, (5) Dana Air, (6) Discovery Air, (7) First Nation Airways, (8) Med View Airline, (9) Overland Airline, and (10) Ibom Air. However, nine of them are functional, as Discovery Air folded up barely a year into its operation.

## CONCEPTUAL CLARIFICATION, LITERATURE AND THEORY

Quality management involves the formulation of strategies, setting goals and objectives, planning and implementing the plans; and using control systems for monitoring feedback and taking corrective actions. An organisation's quality management implementations are of two folds: satisfying customer's expectation and improvement in the overall business efficiency (Dimitrades, 2000). The basic goal of quality management is the elimination of failure; both in the concept and in the reality of products, services and processes. In order to prevent failure in quality management, there should be planning, organizing and controlling. According to Dubas and Nijhawan (2004), there are four stages of quality management. These include inspection, quality control (QC), quality assurance (QA) and total quality management (TQM).

#### Inspection

According to International Organization for Standardization 8402 (ISO, 1986), inspection can be defined as 'activities such as measuring, examining, testing, gauging one or more characteristics of a product or service and comparing these with specified requirements to determine conformity'. It involves the examination, measurement and testing of the characteristics of a product or service and the comparison to specify requirement and to assess if the characteristics conform to specified requirement (Ellram, 1991). Inspection is an efficient and effective way of discovering defects in services and products. Deming (1986) opined that inspection with the aim of finding bad product and throwing them out is too late, ineffective and costly. Quality to him comes from the improvement in the process rather than inspection.

## **Quality Control**

Quality control is a conventional way that businesses have used to manage quality. It is concerned with checking and reviewing work that has been done. This is mainly done by inspection of products and services (checking to make sure that what's being produced is meeting the required standard). Quality control take place during and at the end of the operations process. Juran (2008) defined quality control as the regulatory process through which we measure the actual quality performance, compare it with standards, and act on the difference. It is a more sophisticated management tool aimed at preventing goods and services which do not conform to basic requirements from getting to the final consumer. Quality controls are operational techniques and activities that are used to fulfil quality requirement (ISO 8402, 1994).

As a measure of quality, quality control however is costly when viewed in terms of tangible and intangible variable cost. It could also result in the production of substandard goods and services when conducted late in the process of production. Due to the problems associated with quality control, businesses now focus on other avenues or means through which quality could be managed effectively. Dale, Boaden and, Lascelles (2014), in their



criticism of quality control noted that solving of a problem after a non-conformance issue has been created is not an effective route towards eliminating the root cause of a quality problem.

#### **Quality Assurance**

This is a principle based on the designing of the business process of production with a view to minimising the chances of producing substandard goods. According to Evans and Lindsay (2008), quality assurance is a prevention based system, which improves product and service quality with increased productivity by placing the emphasis on product, service and process design. Quality assurance places emphasis on defect prevention. This is unlike quality control that focuses on defect detection once the item is produced.

Quality assurance is focused on the prevention of the production of non-conforming product and much emphasis is placed on the activities involved in the process of production. Thus, it is a management design aimed at controlling quality at all stages of production to prevent quality problems from emerging. The quality assurance philosophy opined that quality is created in the design stage and not the control stage and that problems associated with quality are caused by poor process design. According to Nigel and Stuart (2010), to be effective, quality assurance must involve the development of a new operating philosophy and approach that needs to be proactive rather than reactive, that includes motivating and involving people in the process across normal departmental barriers'.

## **Concept of Total Quality Management (TQM)**

There is a plethora of definitions of Total Quality Management (TQM) as well as researchers on the topic. However, common definition elements are the presence of a structure and a focus on customer satisfaction. For instance, Hellsten and Klefsjo (2000) define TQM as a constantly evolving management system consisting of values, methodologies and tools. The system aims to increase external and internal customer satisfaction with an improvement in organization efficiency. Similarly, TQM can be defined as an integrated approach consisting of principles and practices whose goal is to improve the quality of an organization's goods and services through continuously meeting and exceeding customer's needs in most competitive ways focusing on TQM's requirement for continuous improvement in all aspects and activities in organizations (Talib, Rahman & Qureshi, 2011). TQM is defined as a philosophy embracing all activities through which the needs and expectations of the customer and the community, and the objectives of the organisation are satisfied in most efficient and cost effective way by maximising the potentials of all employees in a continuing drive for improvement (Klopp, Kevin & Knotter, 2014). Phan and Abdallah (2011), defined TQM as the synthesis of the organisational, technical and cultural elements of a company. They opined that TQM is a heart and mind philosophy which recognises that company culture affects behaviour which in turn affects quality. Choi, (1995) and Qasim and Zafar (2016), describe TQM as a corporate culture that is characterised by increased customer satisfaction through continuous improvement involving all employees in the organisation.

Despite the varied proposed definitions of TQM, a significant amount of commonality can be seen. These include the categorized of TQM into:

i). A continuously evolving management system consisting of values, methodologies and tools (Sila & Ebrahimpour, 2002, 13).



- ii). A management revolution, and or a revolutionary philosophy of management and competitive management (Gabor, 1990, p.51).
- iii). A management philosophy concerned with corporate culture as a main principle; with an ultimate focus on increasing external and internal customer satisfaction effectively and efficiently (Saraph, Benson & Schroeder, 1989, p. 9).

In this thesis, TQM is defined as an evolving version of quality management approaches, which encompasses many management concepts and mechanisms. It includes efficient and effective process management, quality philosophy, methods and tools. The focus is on how to effectively and efficiently satisfy all customers.

According to Ellis (2013), strong competitive pressure has forced organizations to offer higher quality products and services as a way to attract and keep their customers. Therefore, many organizations have implemented TQM in order to improve their positions in the market place. As long as TQM is adopted fully and practiced effectively in an organization many advantages will be delivered (Evans & Lindsay, 2008). This is so because TQM is an effective system for integrating the quality development, quality maintenance and quality improvement efforts of various aspects of a system so as to enable services at most economical level and derive full satisfaction. It is aimed at the satisfaction of customers' needs in an efficient, reliable and profitable way. Also, it involves a radical direction through which an organisation perform her day to day operations in order to ensure that quality is put at the top of the mind of every employee and departments in which they operate (Trevor, (2011).

Kanji (1996), noted that for an organisation to be truly effective, each part of it must work properly together towards the same goal, recognising that each person and each activity affects and in turn is affected by each other – the methods and techniques used in TQM can be applied throughout any organisation. Brigham (1993) suggested that TQM is not just another management fad; it is capable of delivering real competitive advantage. The TQM approach integrates the fundamental techniques and principles of quality function deployment, statistical control, and existing management tools in a structured manner. It focuses on continuous process improvement within organizations to provide superior customer value and meet customer needs. In the words of Guptar and Belokar (2016), TQM is a holistic management philosophy that strives for continuous improvement in all functions of an organization. He further opined that the philosophy of TQM can be achieved only if the total quality concept is utilized from the acquisition of resources to customer service after the sale. Given the reach of TQM, every organization in the industry can improve its performance, as the integrated effort put by top management among personnel has the advantage of increasing job satisfaction, and hence customers' satisfaction. Since TQM focuses on process improvement, customer and supplier involvement, teamwork, and training and education, customers' satisfaction always remains a key focus, as well as cost effectiveness, and defect-free work.

#### **TQM** and Customers' orientation nexus

In every business organization, the age old maxim still apply, that 'the customer is the king'. The source of the maxim has remained legendary as business organizations (service and or production companies) tend to survive on customers' patronage. In order to realize



customers' satisfaction, TQM firms focus on serving the external customers by making sure that the customers' expectations and requirements are known and then focus on how to meet those expectations and requirement, accordingly.

By focusing on the satisfaction of customer, services and or production can be arranged with respect to the customers' needs, expectations, and complaints. This encourages firms to produce high quality and reliable products and services on time with increased efficiency and productivity. When customer expectations are met, their satisfaction will be increased, and the firm's sales and the market share will increase. In this context, TQM become an ideology which is focused on the satisfaction of customer's need. Thus, most organisations try as much as possible to meet or exceed customer's expectation in their daily activity and also their long term plan (Adediran & Adediran, 2008).

TQM requires organisations to develop a customer focused operational processes and at the same time committing the resources that position customers and meeting their expectation as an asset to the financial wellbeing of the organisation. Evans and Lindsay (2008), explained that it is necessary for organisation to maintain a close link with their customers in order to know their requirements and to measure how it has been successful in meeting up to customers' requirements. According to Mason (1996), a high level of customer satisfaction is obtained solely by providing services or products whose features will satisfy customer's requirements or needs. The customer's needs and expectation serve to drive development of new service offering. This is due to the fact that customers determine the quality level of service delivered Krause, 1997).

Nigel, Stuart and Robert (2010) have noted that organisations are made up of a series of internal suppliers and customers. To him, this forms the quality chain of the company and it implies that every employee is a potential customer and supplier in the course of production. The process of production is structured in a way where each process have needs and expectation which must be fulfilled by others in the network of production. The effective fulfilment of these needs leads to the production of quality goods and services.

#### **Organisational Performance**

Performance measurement is an integral part of all management processes. It is the cornerstone of human resource (HR) management practices and provides the basis for developing a systems approach to organization management. In theory, a performance management system links organizational and employees' goals through a goal-setting process, and subsequently links employee goal achievements to a variety of HR management decisions through a performance measurement process. Given the growing awareness that quality of final products and services is a strategic competitive variable, companies have recognized that the concept of high quality must be applied to production processes to generate quality products and minimize costs. In this context, TQM evolved as a philosophy that emphasizes the need to provide customers with highly valued products, and in doing so enhances improvements in efficiency by way of eliminating waste, reducing lead times at all stages of the production process, reducing costs, developing people, and improving continuously (Hellsten, & Klefsjo, (2000).

Graham (1980) have argued that quality practices had become so important that management accounting could no longer ignore TQM. While traditional accounting supports



cost and production analysis (Phan & Abdallah, 2011), the thrust of the TQM philosophy is that quality and its management have to be built in from the beginning and that the accomplishment of quality standards and improvement is the responsibility of everyone (Sila, & Ebrahimpour, 2002). Therefore, to ensure achievement of organisational goals, performance needs to be measured via evaluation, control and improvement of business processes. As Tennant (2001) suggested, each activity that takes place in an organisation has to be directed towards two distinctive goals: getting the job done; and constant improvement of performance. It is unlikely that any single performance measure such as traditional financial measure can appropriately serve the needs of evaluation of organisational performance in the modern business environment, particularly for management approaches such as TQM (Ahire & O'Shaughnessy, 1998). Therefore, the multiple dimensions of performance measure should be used to improve performance measurement (Anderson, Erikson, & Torstenson, (1995). This multiple dimension measure should include all variable, like motivation performance, market performance, productivity performance, and societal performance.

#### **THEORY**

The general system theory is considered for this study. The theory was articulated by Von Bertalanfy (1968). The theorist drew inspirations from earlier scholarly work of Talcott Parsons (1937), Parsons and Shils, (1951) and Easton (1953). The main tenet of the theory is that an integrated assembly of interacting elements can cooperatively carry out a predetermined function than if it was done separately. In this context, understanding of a situation is achievable by recognising that the whole organization matters much more than the parts that form the whole. Therefore, when the whole is properly understood, it will help in the understanding of the parts of the whole. The general systems theory deals with the formulation and derivations of those principles which are valid for systems in general. It also looks at different parts of the systems to determine their respective contributions to the entire system. The argument is that the relationships between the parts themselves and the events they produce through their interaction become much more important, with the result that system elements are rationally connected towards a shared purpose (Esiaba, 2016).

The theory is relevant to this study because total quality management is made up of subsystems like Top management commitment and leadership, customer orientation, supplier employee involvement, process management and quality management, communication, and continuous improvement of quality. When discussing quality issues, the firm is seen as a holistic system, characterized by a high degree of integration between the factors intervening in the process of quality creation. In TQM, the systemic conception of the firm is strengthened by its emphasis on the importance of the relationships of the parts to the quality goal to be reached and how the individual parts work together, inter-dependently and inter-relatedly, towards achieving the organisation's quality goal (Trevor, 2011). The most important reason for the general systems theory in this study, therefore, is for setting up quality programs for strategic issues, cost control or reduction, customer retention and quality initiatives of competitors. Herein lies the shortcoming of the theory in this study. Each section of the aviation and or airline services has specializations that need to be recognized. In a division of labour arrangement, a particular division may hold the entire organization to



ridicule (e.g. a strike by Air-traffic Control Unit). In order to safeguard against such ugly development, the organization needs a good management team.

#### **METHODS**

A total of 325 respondents were drawn proportionally from 8 domestic airline in the country. Staff list of each Airline in the Lagos operational headquarters was used as the sample frame. Administration of the questionnaire lasted over four months as staff selected for the study had to be traced to their duty post. Secondary sources of data came from textbooks, journal articles and internet sources.

#### **RESULT**

One research objective guided this study: Examine the relationship between customers' orientation and organisational performance in the Nigerian aviation industry. We hypothesized that: no significant positive relationship exist between customers; orientation and organisational performance in the Nigerian aviation industry.

## Customers' orientation and organisational performance in the Nigerian aviation industry

In order to find out the influence of customers orientation on organizational performance in the Aviation Industry, customer's orientation was operationalized to include: "taking the demand and needs of the customers into consideration, attending to complaints promptly, and undertaking periodic survey to ensure customers satisfaction". Table 1provides a correlation analysis of the relationship between customers' orientation and organizational performance as well as the result of simple regression that predict the influence.

As shown in table 1, the relationship between organizational performance and customers' orientation was positive in all the three variables that were used to measure customer orientation. Apart from the relationship between 'organizational performance and consideration of demand and needs of customer" (r = 0.57), and 'organizational performance and periodic survey of customers satisfaction' (r = 0.54) that were moderate, the rest of the relationships were low. This finding suggests that the low relation of customers' satisfaction with organizational performance was due to inability to attend to customers' complaint promptly as well as giving consideration to customers demand and needs.

Table 1: Correlation and simple regression analysis of the influence of customers' orientation on organizational performance in Nigerian Aviation Industry, N = 313

Variable		1	2		
1	Organizational performance	1.00			
2	Considering the demand and	.57	1.00		
	needs of customers				
3	Attend to complaints promptly	.43	.37	1.00	
4	Periodic survey of Customers'	.54	.35	.22	1.00
	satisfaction				



Model	R	R Square	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.474	.464	.463	.30215

**Source:** Researcher's computation from Field Data

When the variables on customers' orientation were regressed on "organizational performance, it generated a R-Square of 0.464, which indicates that 46.40 per cent of the variances in organizational performance was necessitated by customers' orientation in the industry. This finding suggests that about 53.60 per cent of the variances in organizational performance cannot be explained by customers' orientation.

In the study, customer's orientation was measured using three variables: "the demand and needs of customers, attend to complaints promptly, and periodic survey of customers' satisfaction" The study had therefore hypothesized that:

No significant positive relationship exist between customers' orientation and organisational performance in the Nigerian aviation industry.

The result of the correlation of the variables of customer's orientation is shown in table 2, along with Pearson Product Moment Correlation between respondents' rating of organizational performance" and "customers' orientation".

Table 1: Mean, standard deviation and bivariate relationship between customer orientation and organisational performance in the Nigerian aviation industry, N = 313

Variable	1	2	3	
Organizational performance	1.00			
Considering the demand and needs of customers	.57**	1.00		
Attend to complaints promptly	.43**	.37**	1.00	
Periodic survey of Customers' satisfaction	.54**	.35**	.22**	1.00

<sup>\*\*</sup>Correlation is significant at 0.01Level (2-tail).

Source: Researcher's computation from Field Data

The bivariate correlation between organizational performance and customer's orientation are all significant at p <.001. The relations were high with respect to organizational performance and "consideration the demand and needs of customers" (r=.57) and "periodic survey of customers' satisfaction" (r=.54). Other than these, the rest of the relationships were moderate except for the relationship between "attend to complaints promptly" and "conducting periodic survey on customers' satisfaction" (r=0.22) that were low. However, all the relationships were significant and positive. Given this result, we reject the null hypothesis and conclude that there is a significant relationship between organizational performance and customer's orientation.

## **DISCUSSION OF THE FINDINGS**

One of the findings of this work is that customers' orientation is positive factor in enhancing organizational performance. Our focus on customer was measured in terms of periodic survey of customers' satisfaction in the organization; attending to their needs and listening to their complaints. Such activities constitute identification of customers' relationship.



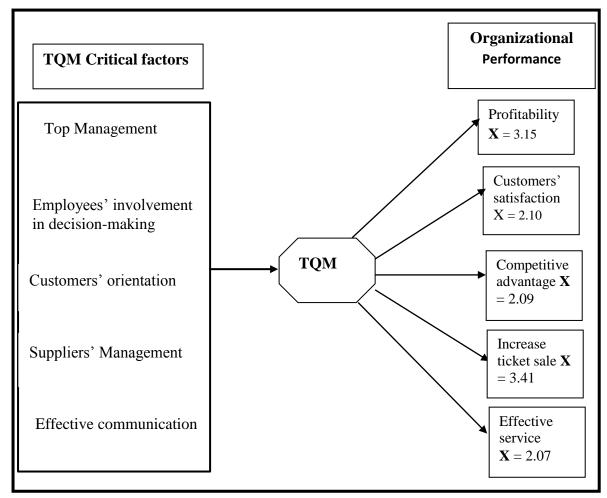


Fig. 1: Mean rating of organizational performance on five TQM critical factors. **Source:** Researcher result of bivariate analysis of field data

Our finding is of course not new. In an earlier work by Deming (1986, p. 32), the author found that where quality of products and or services are tailored to meet the needs of customers, patronage is enhanced, and could result in increased performance of the organization. In another finding Flynn, et al (1994) observed that customers would continue to influence organizational performance especially where their interests are taken into consideration in product and services design and development process. Several other works by Adediran and Adediran (2008) and Porter and Tanner (1996), found significant relationship between customer orientation and organizational performance.

The test of hypotheses shows that the five critical factors of TQM assessed in this has a great impact on the organizational performance. The results also suggest that aviation industry implement TQM for the purpose of improving operational performance, enhancing customer satisfaction, increasing market share and financial performance which is the primary purpose of being in business. This confirms the theory that TQM organizations can have the needed competitive advantages in meeting customers and employees needs while



also enabling the organization to be effective in their daily operations (Black & Porter, 1996). However, our findings revealed that customer satisfaction was not significantly rated when organizational performance was assessed. As shown in Figure 1 below, the rating of the variables by respondents showed that while ticket sales (3.41) and profitability (3.15) were rated high, customers' satisfaction (2.10) and effective service delivery (2.07) were rated low among organizational performance variables

However, inspite of not paying much attention to customers' needs and satisfaction, the airline still make profits. This may be due to limited competition, especially in the local flights. As the airline industry is preparing for reforms, influx of foreign investors may turn around the present profit fortune under stiff competition. It is therefore suggestive that the airlines pay attention to their customers for purpose of effective service delivery. This can sustainably enhance operational performance and increase profit. In previous study, Nigel, Stuart and Robert (2010) found that focusing on customers' needs and satisfaction is positively related to operational performance. If a firm knows the needs and expectations of the customers accurately and on time via frequent communication with and feedback from the customers, the firm can produce high quality, reliable, and timely delivered products and /or services. This is because systematic measurement of customer feedback and its use in the product/service or process improvement can increase customers' satisfaction (Pragalathan, 2010). When a firm knows the customers' current and future needs, expectations, and complaints accurately and on time, the firm can invest in profitable areas and improve its sales, market share, and total profitability (Gabor, 1990).

## Implication of the study on Nigeria Aviation Industry

The deregulation of the airline industry in most part of the world marked the beginning of a new realm of competition in the industry. The deregulation ensured that airlines set fares and service levels based on the market situation (Phan & Abdallah, 2011). In trying to gain competitive advantage, airlines try to outshine their competitors by providing quality services that meets or exceeds the expectation of customers. Thus, customer satisfaction in the airline industry is never ending as they face numerous challenges and competition daily (Adediran & Adediran, 2008). This makes Quality management critical to the airlines as they strive to continuously improve their services to meet customers' expectation.

Service quality is necessary in the airline industry as it is a major determinant of competitiveness. Airlines paying strict attention to service quality will be differentiated from others and will in the course of doing this gain competitive advantage. Although it has been argued that price is a major determinant of airline choice by customers and most airline would rather compete on it than on service quality. However, not managing quality will mean no added and assuring value to the airlines (Yusof, 2002).

The use of a strategic approach to quality management by Aviation Industry will therefore improve their competitiveness. This approach ensures that airlines remain customer focused. Committed leadership to the strategy ensures that the airline offerings are continually updated so as to meet or exceeds customers' requirements. Elsewhere, Zu (2003), had noted that the main cause of poor performance by service firms is that they do not know what is expected from them by customers. Airlines therefore, need to consistently monitor the perception of customers to their services so as to know where the gap lies between the offered



service and expectations of customers. As Trevor (2011), noted. acceptable level of customer satisfaction is attained when passenger's expectation have been met or exceeded. To ensure customer satisfaction, everybody in the organisation including suppliers will need to have the customers at heart and work towards meeting their needs and expectations (Kanji, 1996). Three major reasons can be identified as the basis for innovation (Anthony, Cooper & Schindler, 2002). These are to: satisfy customer's needs and requirement; meet the corporate objectives of the company; and outperform competitors through product differentiation. These three reasons are interrelated as one is said to lead to the other. The satisfaction of customers will lead to increased patronage which will eventually lead the company in meeting its corporate objective of profitability, thus making more money for investors.

#### RECOMMENDATION

The Nigerian Airlines should monitor the perception of customers to their services so as to know where the gap lies between the offered service and expectations of customers.

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