

## Total Quality Management Practice Implementation in Pakistan Eatery Industry

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## Paper Summary:

The aim of the study is to find out Total Quality Management practices implementations on eatery industry, which is, find out through the relationship between the satisfaction of the consumers and the prices of the food. The satisfaction which customer get from the food they had in the restaurant is the most important factor because it is justified the quality of food and the price fairness. Because when a person pays for something he concerned about, what they were getting against the amount they paid but the restaurants or companies had a different aim they ask about higher pay to make their consumers assure about the quality. In short, these two variables are completely related to the quality management. Whenever a person goes to market, he tries to buy the thing that good in quality and lower in price, so the manufacturer has to make the product according to the consumer's need. They are paying a high cost for low quality, so they are not satisfied. For the data collection questionnaire method is used, the data is collected from 50 respondent. It is concluded that the company and the restaurants have to manage all the things those involve in cost and quality they manage their waist and train their employees check the quality step by step and buy the best raw material from the best supplier for them and they have to also follow the certified standers for the food products whatever the making , so our study found those implements of the quality management when the approached the restaurants and the food making companies give their customers the best results and make high profits and Always retain their customers with the very low wastage and cut is the cost incurred in the manufacturing.

## Abstract:

*The intention of this study is to find out Total quality management practice implementation in Pakistan eatery industry and its relationship with customer satisfaction and price Fairness. For the data collection questionnaire method is used, 50 sample size is the choice for respondents. The cluster sampling method used, a group of Respondents is divided under the age of 14 – 45 above all the age. The findings show that there is a positive connection with the customer satisfaction and the paying amount toward the provided quality in the product. The result shows that when the companies give them the quality in return of what they paid for it will make the customer more satisfied. The study found that implement quality management approaches in the restaurant business would give them the best result in the form of high profit, customer retention, low wastage and less use of manufacturing cost.*

**Key Words:** Total Quality management

## Introduction and Background of the Study:

We don't live without food; this fact develops a new industry which is eatery industry. People love to eat and always want something new and different. Now a day's eatery industry is the most profitable business in the world.

There are days when eating out consider as the worst thing among the middle-class. When they invited some guests, they said the dinner or lunch should be homemade. It was not suitable to offer them that food which is not made at their home, dinning out was only on some special occasion. Shaikh & Zahid, (2018) stated that But now Pakistani are eating more often than before, and according to survey by the State Bank of Pakistan, Pakistani spend 40 % of their income on eating out, and frozen food and Pakistani spend more than RS.114.78 billion on it which is much more than the other countries.

According to Shaikh & Zahid, (2018) The industry is not just boosting due to the increases in dining out, but it also effects of the customer behavior a decade ago only a high class, and worthy people spend on dining out, but now the middle class behavior has the change they are spending more. This change is due to the change in demographics and consumer trends.

The phenomenon of the restaurant comes after the French revolution. On that time people usually purchase ready to eat food from streets stalls or from small shops built at houses. But now restaurants are giving a complete dining experience to their customer.

People want to go to the restaurant for to hangout or to invite someone, eat good food, eat something different, for food that they don't often eat, sometime when they don't want to cook at home, for quality food and so on. They are paying a huge amount of money for getting all of these. When consumers are paying for all of this, they have a right to get all that they demand.

As Kukanja, M., Omerzel & Kodrič, B.(2017) stated that customers consider the important side of marketing quality because of its impact on restaurant quality and loyalty. So now the customers consider the most important part of business success.

Today's restaurant business is at its peak time. But the question is that are they satisfy the needs and wants of their customer.

In the year 2018 in Pakistan, two cases were recorded of one of the well-known restaurants.

In the recent year in Pakistan Karachi, two cases were recorded against the well-known restaurants.

Two minors were died because of 'food poisoning' after dining in at" Karachi restaurant," (2019) stated about two children under the age of 1<sup>1/2</sup> and 5 year old they had died due to the unhygienic and poisoned food. After investigation, it has found that the meat used in food had purchased in 2008 from the international company and there was elder dated meat stored for further use is still use. ( Murtaza, , Rehman, Aziz, Kumar, & Khan , 2019)Another case is also recorded in Karachi in which 5 children's had died due to eating poisoning food. This lead to the dissatisfaction to the customer and people are now avoided to eat out. These two are the biggest example of less or no quality control.

Government of Pakistan established an authority for the food quality control in 2006 who are responsible for the food quality control in Pakistan. This authority is also a member of many international food quality standards organization. They set a standard in which the restaurant and eating industry has to follow to provide standard food to the customer.

Restaurant and eatery industry charge a huge amount for their product and services, and they are not providing the services and food according to the amount they charge. Their profit margin mostly up to 70% they work under the high profit. And they are providing low quality food and services.

But there are some restaurants or dine out places those provide the best quality food and services according to the amount they charge they are awarded for their quality standards. And they are successfully running their businesses in Pakistan. This is because they use Total Quality management strategy.

Every manufacturer or any product maker wants to grow the market of their product. They all desire to get the peak of success, and for that, they apply a number of strategies some focus on marketing strategies some uses better quality making strategies some are planning to control the resources and many other factors, etc.

But all of the above now a day's management of the quality it becomes a most important factor for the success of the business, as well as for a product. This factor is one of the main factors to influence achievement; no matter the organization is small or large . TQM cover every area of the organization functions such as productions, supplies, marketing, finance, human resource, customer services, etc. in short from the top to down.

Rouse, (2017) stated that Total quality management is a measurement system of tools, techniques, and training in order to retain the customer satisfaction. Because when a business wants to retain customers, the arrow should have marked on those factors those are directly influence the retention every time, and this will be done by effective TQM practices.

Quality control in the eatery industry is important not only for the success of the business but also for the social responsibility it is important because it is considered with the life of human being.

This paper analysis the need awareness about the quality and process of ready to eat a meal, Customer need to know what quality of the product they are purchasing and what are their right against it.

**Problem statement:**

The purpose of this study is to trace out what the quality management practices implementation in Pakistan eatery industry is? And to determine the relationship between the total quality management practices with price fairness and customer satisfaction.

People spend a huge amount of money and the services and food according to that amount, they get tasty food, quality food or hygiene, and healthy food?

**Research objective:**

- This paper is to study about total quality management practices in Pakistan eatery industry.
- Analysis of the key success factors that require for the applying of total quality management in this industry.
- I am also giving recommendation for improvement in eatery industry.

**Significant of the study:**

- This study helps the market to get know about how they can implement total quality management and increase profitability.
- It will give awareness to the customer about the quality standards and what are their rights against it.

**Limitation of the study:**

- The sample size of the study is small; that's the way the study covered a limited area.
- The data collection is only from Karachi.
- The hesitation of respondents for giving accurate information may affect the analysis.

**Literature Review:**

TQM approaches are the base for the holistic implication of quality that covers all the areas of any organization and others outside relations of any company. (Doluschitz) The level of customer's satisfaction is determined by the company that is offered by the brand's qualities and its characteristics Raja Irfan Sabir, (2014) Defining customer satisfaction could be in term of convention and meet the expectation of the consumers in those parameters engaged with customer satisfaction. Raja Irfan Sabir, (2014). This paper is about the need for customer satisfaction by the quality assurance and by giving the best service to the customers at a reasonable price. Food quality is always the main objective of the industry and management of the quality is the important thing.

For investigating restaurants services quality, there are the main three extents of Services Quality, Food Quality, Physical Environment and Employee Service (Ahmed). The service quality is very important because it is an outcome, between the expected services and perception of customers at actual services performance Al-Tit, (2015). The service quality always leads to amend the customer satisfaction and fidelity as a result of various factors. Food quality and perceived value, the satisfaction of the customers and the behavioral intention in eating out have a very optimistic and direct influence on customer's satisfaction. Customers of today's needs assurance that the food quality and whatever they are eating should be free of any type of potential health hazards. Budhathoki, (2018)

**Customer Satisfaction In restaurant Business:**

Satisfied customers are the key for the returning the success of the customers and enhancing the business growth and profitability. This works in any competitive market. Feelings of any person and the pleasure or level

of disappointment that comes from examining a product perceived performance and outcomes from the product getting from the person's expectations Budhathoki, (2018) All the companies always introduce their product or service in competitive market for meeting the expected demand of the users, by producing their product that compiles market customers happy and satisfied naturally all the products are involved in satisfaction their users. Satisfaction in a positive way talks about the accomplishment of demand for users available in the market. It is the phase of gaining right discrimination from a customer about the quality of product or service that serves the gratefully of their consumers.

**Service quality product:**

Quality and price a very important factor in service quality for doing the business service is any competitive market. The service quality based upon reliability, assurance, responsiveness empathy and tangibles. The whole list help to understand the perception of consumers service quality dimensions, SERVQUA.

**Tangibles:** the facility of physical appearance. material for personal and communications equipment. These all are an essential part of the service sector. These dimensions of service are enjoyed by the valued customer.

**Reliability:**

A product's ability to perform according to the promise by the producer. This dimension talks about the solution of the problem delivering the quality service and prices, the companies promised about the performance regarding their product, pricing, and the customer satisfaction.

**Responsiveness:**

Desire to help customers and provide them promised service; it is very important that organization should be staying alert and take preventions promptly regarding the matters with their customers. The matter those are a concern to the customers could be considered customers complaint, customer feedback, questions, etc.

**Assurance:** To have information and courtesy about employee and to have the ability to convey their trust and their confidence. Assurance is something that is unknown Outcome relating to services in the upcoming time. Organizations are always alert for making a loyal and trustworthy relationship with their valued customers.

**Empathy:**

Companies make their customer happy by doing customer recognition, this help to improve positive impact in generating feelings in customers that the company has implemented on their feedback while taking important decisions. The recognition of the company to the customers helps them to achieve a better position in the competitive market.

**Price:**

in the service marketing plane, it is the most important element in the price of the product the list price is included, offers , discount, credits terms, etc. naturally the product price based upon its cost, the cost incurred in operation and advertising, etc.

Regarding the quality of the product, price played an important role. This is the base that indicates a customer to pay attention and willingness to purchase. Exploring that paying a low price for any product the customers will get the low and poor quality of products or service that they receive in return.

The fresh meats served by the restaurants to the customer are the heart of the city that related to the health that is expected to the very expansive. Price fairness plays a vital role in the management of customer satisfaction; prices are always amylase by the customers at the time of purchasing the product and experiencing the service that customer judge. The product quality and service lead to the price and level of satisfaction for the product and service and the expectation of a suitable price.

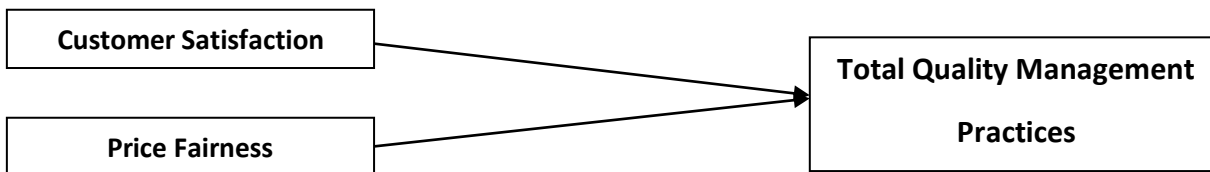
## Methodology:

The finding says that there are a number of particulars and factors that are contributing to the customers satisfaction, price fairness and total quality management in the restaurants industry, so many researchers have done a set of work, many types of research talk about the taste of food, sales, and its promotions, trust, brand image, physical location of the restaurants, quality of the product & services, atmosphere physically and designing and prices, etc. All the variable have their own relative impact on customer satisfaction and price fairness by total quality management, but the core variables that have chosen in this paper included in the theoretical framework and hypothesis are made according to it.

A pleasurable fulfillment is customer satisfaction toward a response to good service, and it benefits the customer's satisfaction has a direct effect on customer loyalty.

Several studies suggested that the superficial value is one of the measures and most relevant determinant of repurchasing intention. There is a confirmed relationship between the future intention and perceived value because this relation talks about the level of satisfaction by the customer toward the product or services.

## Theoretical framework:



## Hypothesis Statement

**H1-** The food quality is positively related to customer's satisfaction.

**H2-** The physical design and appearance of the restaurant are positively related to customer satisfaction.

**H3-** High price food in restaurants is positively related to the quality assurance.

**H4-** The negative deviation in price is negatively related to the quality assurance.

**H5-** The negative deviation of the price is negatively related to the customer satisfaction.

## Sampling and Data Collection

The data is collected by a convenience sampling technique. 50 customers are taken as a sample for collecting data on the same point of consumption and purchasing in the restaurant. A cluster questionnaire was structured for the collection of data.

## Research Design

The diagram showed in the theoretical framework is showing the relationship of selected variable both dependent and independent the total quality management is dependent variable customer satisfaction and price fairness are the two independent variables in our study research paper.

## Total Quality Management Practices:

Most of the organization is implementing many types of activities to meet the requirements of TQM in a way that is appropriate.

The companies they have to particularly realize what they implementor mandatory measures that have some visible impact or influence that make enterprises enable to reach a high level of achievements are.

The total quality management practices are truly all kind of quality programs and plans as well that result in improved product and service quality and reduce the cost more and more satisfied customer and better performance of the business. (John Mambanda, 2017).

Deming is one of the most well-known quality teachers. He defined quality as “Satisfying the customers, not just to meet his hope but to surpass them.

Dr. Joseph Juran defines the quality as “fairness for use.” (Robin Smith, 2009)

Total quality management is viewed as the strategy to meet or exceed customer’s requirement & expectation; total quality managements seek excellence in all expects. (Talib, 2012).

In the eatery industry, the total quality management has a very obvious effect on the enhancement, improvement, and support of the competitive position of organizations. (Saad, 2015).

### **Customer Satisfaction:**

The restaurant business sector is one of the very competitive sectors where organizations always try a different and new experiment for meeting the high level of customer satisfaction upon the services you delivered. All the companies are highly dependent on the engagement and experience. Customer satisfaction always cores part of the growth of any organization.

The customer satisfaction level is changeable by the time by the condition; various terms are here, a better level of customer satisfaction always helps to established and maintain the high level of profitability of any company and for most the goodwill of the company among all the valuable customers. Budhathoki, (2018)

So many authors have given the definition of customer satisfaction. Customer satisfaction defines by Kotler & Keller as “Person’s feelings of pleasure or disappointment which result from experiencing & comparing a products perceived value and performance or outcome against his/her expectation.” Budhathoki, (2018)]

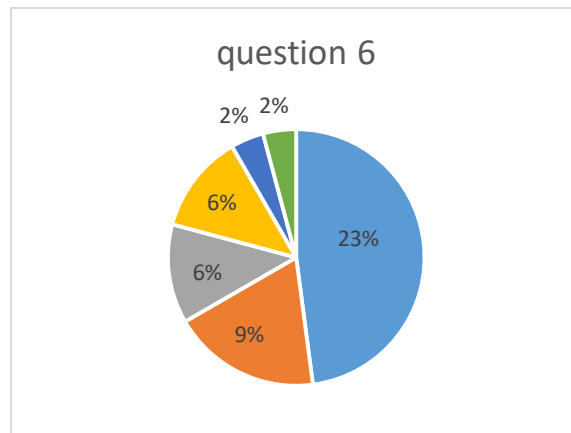
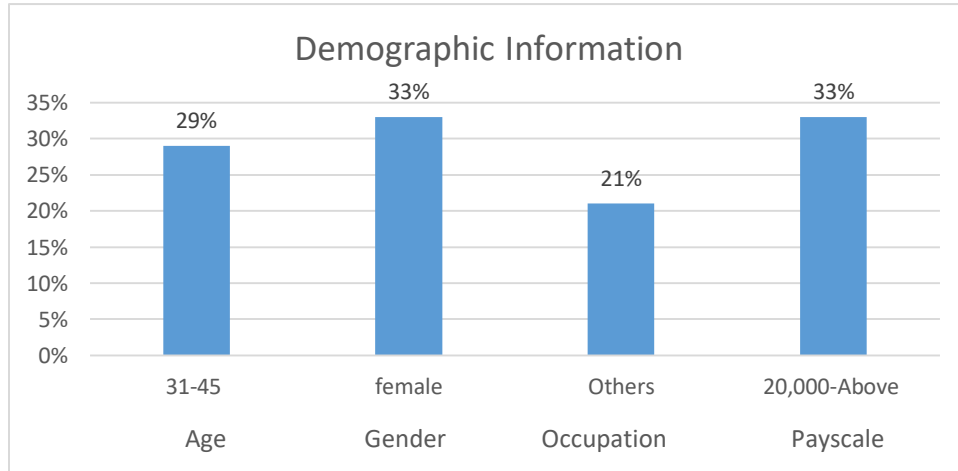
Customer is the king; customers need should always be full filled according to and beyond to his/her expectations in the achievement of the success in today’s business the organization should have known what the customer really needs. Providing them a product or services as per requirement or meet expectation can easily gain profit and competitive advantage. Faisal Talib, (2010)

### **Price Fairness**

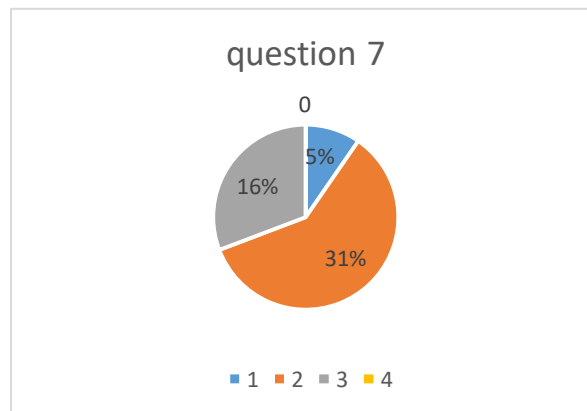
Price is one of the major & most important elements of service marketing plans, especially in restaurants business; it is the most important thing that plays a very important role in attracting the customer toward our product. This is the current statement that price plays a role as an indicator regarding product quality. Sometimes the mentality is set as when paying a high price the product must be beyond the expectations to some out of the box. So price always matters when buy or eating in any restaurants, in the restaurant’s the prices are set on their eating product as whatever the cost incorrect of making the presentation of the food item and the taste, so customer agrees to pay for outstanding taste the environment of sitting area the appearance of the restaurants and obviously the safe and healthy item is being used for preparing the food item the customer is paying for. Prices are always matters when you maintain good quality, the price you are paying for any food product. The safety and health issue are a vital role in quality challenges that have to face by the food making organizations. John Mambanda, (2017)

Quality management practices involved in all kind of quality programs; it is a plan that is about the improvement of product services cost reduction. More and more satisfied customers and performing better financially, when you have better control over all the company will be able to offer less in price product.

**Data Analysis:**

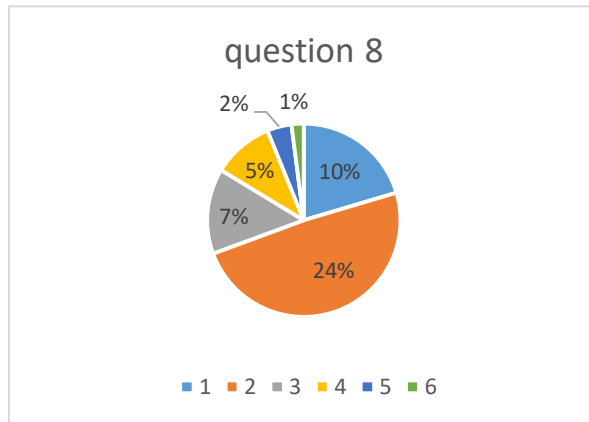


In the current analysis, 23% of respondents go to the restaurants about once a month.

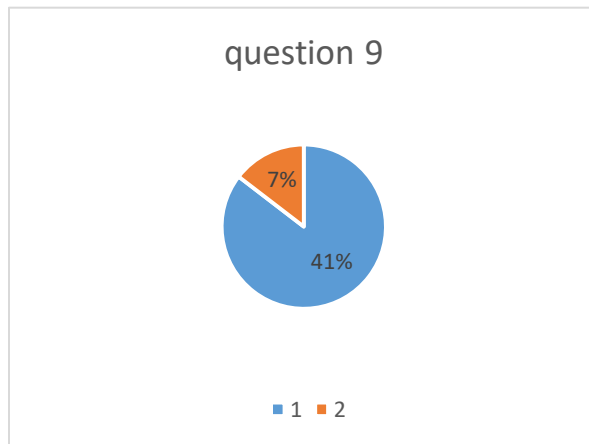


In the current analysis, 31% of respondents go to the restaurants and spend 600-1500 rp on food

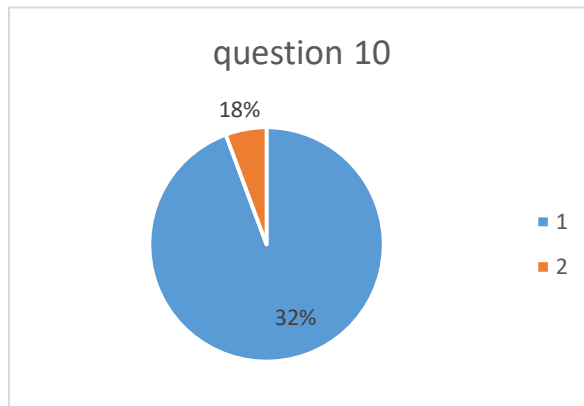




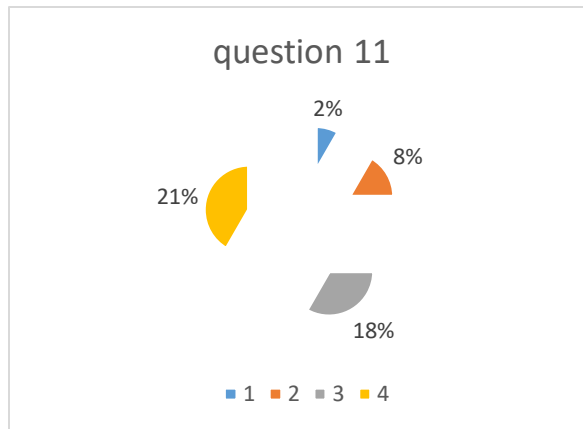
In the current analysis, 24% of respondents go to the restaurants to hanging out.



In the current analysis, 41% of respondents go to the restaurants for quality food.



In the current analysis, 32% of respondents go to the restaurants because most of the restaurant meets their needs in a fine manner.



In the current analysis, 21% of respondents go to the restaurants for food quality and hygiene.

### Discussion and Recommendation:

The study conduct to find out the impact of TQM implementation customer satisfaction and price fairness in eatery industry. TQM approaches are used to improve the profitability and customer retaining by satisfying the customers, and also the price is the most important factor because high quality needs a huge amount of investment but if companies implement the TQM approaches fully they able to enjoy the less in damage less in cost accrued on manufacturing or preparing food items, these all type of benefit make them enable to enjoy the low cost of food item at the best quality. By implementing TQM plans restaurants and companies can create the competition in the market, and their quality will become their competitive advantage.

So the companies and restaurants should enhance the quality of the food product because this is the Matter of human health.

For making food product companies and the restaurants need the raw material mostly come from agriculture and also meat, chicken, mutton and so on, that have to be used immediately. So they should get their raw material for food product purchase from the very nearby resources. One more recommendation is the companies should check and inspect their in-process product step by step for the best quality.

The restaurants should not only focus on the taste of their food items and dishes but also take the fresh meat and vegetables, and should never use any ingredient that has a question for health. Tastemaking is not all for satisfying the customer safety is the need and right of every human being.

Mostly restaurant makes their apparent the flawless. They should focus on the quality and hygiene food at low prices. "High price is not the assurance of the good and best quality."

The local restaurants and food making companies should also follow the international standard of the quality and arrange an inspection at regularly basis or team inspection twice in a year of their restaurants.

For the better quality they have to they should make a customer complain system by which they can able to get the customer views, and it will also help the customer to use there right of complaints. This will also help to develop trust and loyalty relationship between the company and its customers.

## Conclusion:

In this study, we conclude that implement quality management approaches in the restaurant business will give then the best result in the form of high profit, customer retention, low wastage and less use of manufacturing cost.

The result concludes that the quality of the food has a positive impact on the customer satisfaction; the companies give them the quality in return of what the paid for it will make the customer more satisfied.

According to survey and analyzing collected data people visit the restaurants for the physical design and appearance because the environment is kind of necessity, but they could not find taste in food and found any hygiene issue or anything that is related to dissatisfaction, they will never retain.

Customer pay at a high price for food when they need the best quality, so there is a very obvious need of taking care of each and every aspect of TQM for making then satisfied customers.

This not right to say that management of quality is the assurance that every product will be retail at low prices, when companies approach the TQM plans the need enhancement in investment because they need trainees the need new plans time for implementing on that plan etc. could cause enhancement in cast of product but the sure part is the product will become reliable, durable and best in quality to satisfy the consumer.

So it is obvious that only the environment and atmosphere, not the criteria for satisfying the customers, and also it does mean that the food that is in low price making customers satisfied. All the various elements that are needed for the implementation of TQM practices in the restaurant business are very necessary, and this has an impact on both the independent variables that are customers satisfaction and price fairness, without TQM the companies cannot approach the satisfaction of the customers and also cannot offer than products at low price especially in restaurants business.

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