TQM Practices in Public Sector: Case of Finnish Healthcare Organizations

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ABSTRACT
This study aims to discuss the evolution, principles, and stages of total quality management (TQM) in public health care organizations. It also makes a comparison that how case organizations think about quality and TQM along with its applicability within public sector. The study can be categorized as qualitative research. The data is collected from semi structural interviews of the informants and the concerning documents, which consist of strategy, policy papers and audit reports of the case organizations. Altogether there are two case organizations. Furthermore, data is analyzed with the help of content analysis. Most vital issues in TQM practices are its comprehensiveness, and its application in such a way which is appropriate for the organization, with a logical way of operation and the participation of management and personnel. Training, guidance, teamwork, involvement and learning are imperative for achieving a continuous improvement culture and are vital elements when adopting TQM. Managers should learn from the experience of TQM implementers by studying expected challenges and pitfalls. They should also pay more attention to the crucial role of all stakeholders in the TQM implementation. The study could be quite valuable from a strategic perspective in providing guidelines to build up a proper plan for TQM practices more promptly. The paper also manages to shed light on TQM practices of public service organizations by comparing their current approaches to quality.

KEYWORDS
Case Study, Healthcare, Public Sector, Quality Management Systems, Service Organization, Total Quality Management (TQM)

INTRODUCTION
In the past TQM used to be implemented in the manufacturing sector, but now it has also been widely applied in service organizations and the public sector (Fryer et al., 2007) e.g. health care. All kinds of organizations in the private as well as the public sector are looking to be customer-oriented organizations to carry on their operations in a globally competitive environment. Therefore to compete as customer-oriented organizations it is necessary to offer quality products and services.
to their customers. Subsequently, TQM is such a philosophy that provides the tools and the direction to improve the quality of their products and services.

However, TQM implementation in manufacturing firms is not considered a novel and multifaceted strategy, but TQM implementation and practice particularly in public service organizations like healthcare is really quite a recent and composite undertaking. The introduction of the TQM term in health care is well established, but there is still lack of such a supporting framework that can make it easier for newcomers to follow the boulevard.

Therefore, the objective of this research is to study which kinds of TQM practices there are in public sector services, whether they are applying a fully-fledged TQM approach or only some parts of the TQM are being employed? More specifically, this research proceeds to examine the implementation of TQM in the public service organizations in the attempts to:

- Present an overview of TQM initiatives in service organizations
- Identify the level of understanding and knowledge about TQM in health care

To accomplish the objective mentioned above and to achieve sub goals of the study, the paper will analyze the distinctiveness of the TQM practices in each target organization. First, it will carry on by providing an up to date literature review of the associated terms individually with more emphasis on quality, TQM and its applicability in service organizations. Second, it will elaborate on the methodological approach which has been employed during this study and a description of all target organizations. Third, it will illustrate the results along with discussion and managerial implications. Finally, it draws some conclusions based on the present results and discussions in light of previous literature. It also includes an appendix that portraits an overview of TQM practices and approaches of all case organizations.

LITERATURE REVIEW

Service Quality

Quality is concerned with fulfilling the needs, wants and expectations of the valued customers. One of the key and stable definitions may be that, ‘quality is suitability for purpose’. Quality is also defined as ‘satisfying customer’s requirements’ or ‘fitness for purpose’ (Ghobadian et al., 1994). However, it is complex to define service quality rather than the quality of goods. Service quality can be defined as an attitude of the consumer relating to the results from comparisons between expectations of service with his perceptions of actual performance (Grönroos, 2007). The quality of services executed can only be appraised during or after consumption (Audhesh et al., 2004). The more composite and personal the service, the more detective effort customers will perform (Berry et al., 2006). The primary source of value creation for a service quality is performance by the service provider. It is often the small things that influence a customer’s overall perception of service quality, be it the tangibility associated with the service or the behavior or technical performance by the service provider (Kumar et al., 2010).

Service Quality Dimensions

The most commonly stated set of service quality was offered by Zeithaml et al. (1990), who using factor analysis, condensed the dimensions of service quality into five categories:

1. Tangibles (facilities, equipment and appearance of staff);
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