

The Impact of Total Quality Management on Customer Satisfaction: A Case Study of PT Taspen (Persero) Nias Archipelago Branch

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Abstract

This study aims to examine the impact of Total Quality Management (TQM) on customer satisfaction at PT. Taspen (Persero) Nias Islands Branch. TQM is an approach focused on enhancing organizational competitiveness through continuous improvement in product quality, services, people, processes, and the environment. The research uses a quantitative method, with 43 respondents consisting of employees and customers of PT. Taspen (Persero) Nias Islands Branch. Data collection was done through questionnaires, followed by validity and reliability tests, classical assumption tests (normality test), simple linear regression, and hypothesis testing (t-test, f-test, and coefficient of determination). The findings indicate that TQM influences customer satisfaction by 72%, while the remaining 28% is influenced by other factors not explored in this study.

Keywords: *Total Quality Management, Customer Satisfaction*

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INTRODUCTION

In the era of globalization and increasingly intense business competition, customer satisfaction is a key determinant of a company's success. Rapid changes in the business world require companies to respond proactively to evolving dynamics. One of the main challenges faced by businesses today is how to attract customers and retain them to ensure sustainability and growth. Customer satisfaction is a valuable asset, as satisfied customers are more likely to remain loyal, whereas dissatisfied customers often share negative experiences more widely. Achieving customer satisfaction involves creating and managing effective systems to attract and retain customers. According to Jasa et al. (2022), customer satisfaction arises from comparing perceived performance with expectations, resulting in feelings of joy or disappointment. Satisfied customers foster harmony between the company and its clients, repeat purchases, loyalty, and valuable word-of-mouth recommendations. Conversely, dissatisfaction can damage a company's reputation and hinder repeat business. Therefore, maintaining customer satisfaction is crucial for sustaining long-

term growth and success, as customers are not only a source of revenue but also a catalyst for innovation and effective marketing strategies.

Total Quality Management (TQM) is a comprehensive management approach that integrates all organizational functions, emphasizing continuous quality improvement to meet or exceed customer expectations. According to Nasution (in Valentino et al., 2021), TQM combines all management functions and elements into a holistic philosophy focused on quality, teamwork, productivity, and customer satisfaction. ISO highlights that TQM relies on human resource participation to achieve long-term success through customer satisfaction and organizational benefit. Soewarso Hardjosudarmo (in Anggraeni & Rachmawati, 2023) adds that TQM enhances production processes by minimizing waste, improving quality, and reducing costs. The key elements include a customer-oriented strategy, teamwork, continuous improvement, fact-based decision-making, and effective communication. Furthermore, TQM principles such as customer satisfaction, respect for people, and a commitment to continuous improvement foster organizational success (Hensler & Brunnell in Thabaroni, 2022). Ultimately, implementing TQM can lead to improved organizational performance, competitive advantage, and sustainable growth (Bounds et al., 2016; Tjiptono in Channel, 2023).

Customer satisfaction is a measure of how well a company's products or services meet or exceed customer expectations, encompassing not only product or service quality but also the overall customer experience, from purchase to after-sales service. According to Kotler and Keller (in Cahyaningrum, 2020), satisfaction arises when customers compare perceived product performance against their expectations, with outcomes ranging from dissatisfaction to delight. Tjiptono (in Valentino et al., 2021) describes satisfaction as an attitude based on experiences, where prior expectations play a critical role. Tjiptono and Chandra (in Thabaroni, 2022) outline several methods for measuring satisfaction, such as complaint systems, surveys, mystery shopping, and lost customer analysis, each providing valuable feedback for improvement. Indrasari (2019) identifies key satisfaction factors, including product quality, service quality, emotional value, price, and associated costs, all of which influence loyalty, retention, and company image. Satisfaction not only fosters long-term customer relationships but also drives repeat purchases, cross-selling, and positive word-of-mouth, ultimately enhancing profitability and competitiveness.

PT Taspen (Persero) Nias Branch faces several persistent challenges that hinder its ability to deliver optimal services to its participants. System errors frequently disrupt operations, forcing employees to revert to manual data retrieval, which delays service processes and frustrates customers. Additionally, incomplete documentation brought by participants—stemming from ineffective communication regarding requirements—further extends processing times and reduces customer satisfaction. These issues are compounded by the limited skills and readiness of employees to address the dynamic needs and expectations of customers. Although the organization has made efforts to improve, these recurring problems indicate gaps in service quality and internal processes. This situation underscores the critical need for implementing Total Quality Management (TQM) to systematically address inefficiencies, enhance employee competencies, streamline communication, and deliver services that align with customer expectations, thereby ensuring sustainable growth and a competitive edge in the industry.

The research gap emerges from the varying findings and limited exploration of Total Quality Management (TQM) implementation in enhancing customer satisfaction within public service sectors, particularly in pension and welfare-oriented organizations like PT Taspen. Studies by Eswika and Istiantin (2015) indicate a significant positive impact of TQM on customer satisfaction in private dealership services, suggesting its effectiveness in improving service quality. However, Yesenia and Siregar (2016) found no significant relationship in the fast-food industry, raising questions about its applicability across sectors. Other research highlights the importance of continuous employee development and clear communication (Sibay & Amin, 2022), yet insufficient empirical studies focus on how these factors interact with TQM in addressing systemic inefficiencies, such as those noted in Taspen’s operational challenges. Furthermore, most studies tend to focus on private or commercial entities, leaving a gap in understanding TQM’s role in the public sector, especially in organizations dealing with unique complexities like regulatory compliance and manual interventions (Rahmawati & Herlina, 2020). This inconsistency and limited sectoral focus underscore the need for more targeted research to evaluate how TQM can be optimized to enhance customer satisfaction in public service organizations like PT Taspen.

The purpose of this study is to analyze the influence of Total Quality Management (TQM) on customer satisfaction at PT Taspen, Kepulauan Nias Branch Office, and to measure the extent of this impact. This research aims to contribute to the completion of the researcher’s academic requirements at Universitas Nias, Faculty of Economics, while also expanding knowledge in the field of economic studies. Additionally, the findings are expected to provide valuable insights for PT Taspen in shaping policies and decision-making processes to improve service quality. Furthermore, this study seeks to serve as a reference for future researchers exploring similar topics.

The following theoretical framework was created using the developed hypothesis:

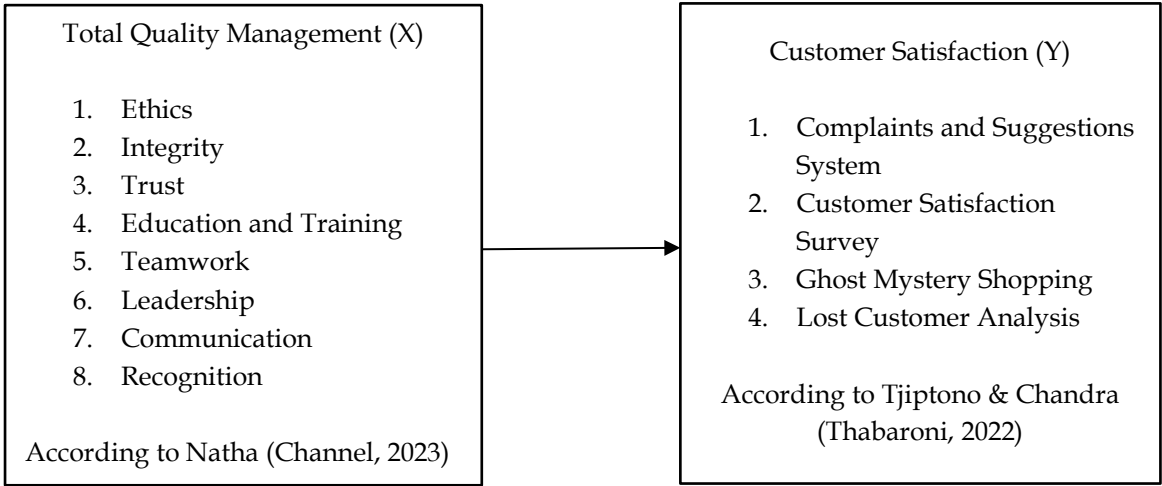


Figure 1. Frame Work

METHODOLOGY

The research methodology used in this study is a quantitative approach aimed at analyzing the relationship between Total Quality Management (TQM) and customer satisfaction at PT. Taspen (Persero), Nias Branch. This study involves a population of

43 individuals, consisting of 20 employees and 23 customers. The data collection process utilizes a survey method, with a structured questionnaire based on a Likert scale to measure respondents' perceptions and experiences. The questionnaire was designed to assess various dimensions of TQM practices, such as quality control, continuous improvement, and customer involvement, and how these factors contribute to overall customer satisfaction. The data obtained through the survey is analyzed using statistical tools to determine the strength and nature of the relationship between TQM practices and customer satisfaction. This methodology allows for the objective measurement of the impact of TQM on service quality and customer satisfaction, providing valuable insights for improving organizational practices at PT. Taspen.

RESULTS AND DISCUSSION

The research was conducted at PT. Taspen (Persero) Nias Branch, which is located in Gunungsitoli, North Sumatra, and serves several areas, including Gunungsitoli City and surrounding regions. The office was officially inaugurated on January 18, 2017, and later saw the construction of a new building in 2019 to better serve the community, particularly in managing pension-related documents and administrative needs. The study collected data from employees and customers of the branch, with respondents characterized by gender, age, education, and job position. The results show a diverse group of respondents, with a higher percentage of male participants (53%), a majority between the ages of 31-37 (42%), and most holding a Bachelor's degree (51%). Additionally, 65% of respondents were civil servants (PNS), while the remaining 35% were government contract employees (P3K). The research aimed to analyze the impact of Total Quality Management (TQM) on customer satisfaction within this branch, based on these demographic characteristics.

The research involved verifying and processing data from a survey distributed to 43 respondents, ensuring all questionnaires were properly filled out and returned. The survey covered two variables: Total Quality Management (X) and Customer Satisfaction (Y), with each variable containing 10 items. The results were compiled and analyzed to assess the validity of the questionnaire items, using Pearson correlation coefficients and SPSS software. Validity testing showed that items with a significance value below 0.05 were considered valid, confirming the reliability of the data. Furthermore, correlations among the variables indicated strong relationships, with several significant results supporting the research hypothesis.

Table 1. Coefficient of Determination Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 ^a	.721	.719	2.211

a. Predictors: (Constant), TQM

The coefficient of determination test, expressed as a percentage (%), indicates the strength of the relationship between variables. It is used to determine the percentage of contribution of variable X to variable Y. The results from the SPSS 22 analysis show an R Square value of 0.721, meaning that 72% of the variation in variable

Y can be explained by the Total Quality Management variable (X). The remaining 28% is unexplained or not included in this analysis.

Table 2. Simple Linear Regression

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Re.gre.s.sion	26.751	1	26.751	5.473	.024 ^b
	Re.sidual	200.412	41	4.888		
	Total	227.163	42			

a. Dependent Variable: KN

b. Predictors: (Constant), TQM

Simple linear regression represents a relationship between an independent variable (X) and a dependent variable (Y). According to the results from the SPSS 22 analysis, the F-test value is 5.473 with a significance level of 0.024, which is less than 0.05. This indicates that the regression model can be used to predict the Total Quality Management variable, meaning there is a significant influence of Total Quality Management (X) on Customer Satisfaction (Y).

Table 3. T test

Coefficients ^a						
Model		Unstandardize.d Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	49.095	5.122		9.586	.000
	TQM	-.321	.137	-.343	-2.339	.024

a. Dependent Variable: KN

The t-test is used to determine whether there is an influence of the independent variable (X) Total Quality Management on the dependent variable (Y) Customer Satisfaction. According to Ghozali (2016), if the significance value of the t-test is greater than 0.05, H₀ is accepted and H_a is rejected, indicating no influence. If the significance value is less than 0.05, H₀ is rejected and H_a is accepted, indicating a significant influence. Based on the results from the SPSS 22 analysis, the significance value is 0.024, which is less than 0.05. Therefore, it can be concluded that Total Quality Management (X) has a significant effect on Customer Satisfaction (Y), rejecting H₀ and accepting H_a.

CONCLUSION

Based on the research conducted at PT. Taspen (Persero) Nias Islands Branch regarding the impact of Total Quality Management (TQM) on customer satisfaction, several conclusions can be drawn. First, the analysis revealed that TQM has a significant influence on customer satisfaction, with a significance value of 0.024, indicating that Total Quality Management (X) affects Customer Satisfaction (Y). Second, the study showed that 72% of customer satisfaction can be explained by TQM,

while the remaining 28% is influenced by other factors not examined in this research. In terms of recommendations, it is suggested that PT. Taspen enhance the application of TQM by maintaining high-quality standards in service aspects such as speed, accuracy, and staff friendliness. Regular internal evaluations should be carried out to ensure operational processes align with TQM principles, ensuring continuous improvement and customer-centric management. Additionally, maintaining strong relationships with customers through responsive, friendly, and personalized service, along with regular customer satisfaction surveys, will help improve customer trust, loyalty, and overall satisfaction.

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