ANTHROPOLOGICAL DEVELOPMENT IN MARITIME SUPPLY CHAIN TOWARDS CUSTOMER SATISFACTION

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Abstract

The research investigates on the development of anthropological towards the Maritime Supply Chain in Northern Malaysia. It focuses on two main areas, namely the service quality and the organizational competencies. The survey and the correlation analyses have been established. The final result indicates that the service quality and organization competencies have better correlation in maritime industry. The study suggests on the criteria of customer's satisfaction and competencies among the service providers towards better productivities in maritime industry for the future.

Keywords; maritime, quality service , organizational competency and customers satisfactions

1. Introduction

1.1 Covering Area

This paper is intended to focus on a study on Anthropological Development in Maritime Supply Chain in Northern Malaysia and how it is essential to ensure a reasonably good human capital policy and development to meeting the objectives of sustainability, of a maritime supply chain organization through strategies of retaining of customers or prospects, otherwise the business projection or volume may be affected.

It may be necessary to know the various main elements of human service in a maritime supply chain organization, for example how to face, handle and manage the customers or prospects before, during and after shipment, or those may be called as Pre-Transaction, Transaction and Post-Transaction of a consignment, to a handling personnel of the organization.

In connection with the above, the researcher shall be focusing on two main areas, namely 1. Service Quality, which includes its availability, responsiveness, empathy and credibility, and 2. Organizational Competence, that is included competence of workforces, empowerment and effective communication, between the provider or its representative and the customer or prospect, on occasions.

Service Quality is determined as independent variables while Organizational Competence as moderating variables and customer satisfaction is dependent variable.

The study shall be conducted in a non-contrived setting and using convenience sampling method. A target of 200 data shall be collected through questionnaires from those individuals who are presently engaged in the maritime supply chain Industry within Northern Malaysia, which is named a main logistics hub by the Malaysian Government.

Customer satisfaction is a measure of how products and services supplied by an organization meet or surpass customer expectation. It is seen as a primary performance indicator within business and is part of the Balance Scorecard.

What do the customers expect from you and your business? The researcher believes that it is a good question to think about and answer. No one transacts business repeatedly with a service provider or an organization without any expectation. The customer does not expect any business to perform perfectly but they do expect your business to keep to its promises. You must do what you have committed, when you fail to meet customer expectation, you should recover by an anthropological approach and fix it through a series of human servicing strategies.

By realizing the importance of Customer Satisfaction in the commercial world, The Researcher would propose that the Management should continually adopt human strategies, policies and procedures in an attempt to proactively identify the challenges presented by the external competitive commercial environment as well as in the internal workplace.

The ultimate goal is to further enhance the human capital development based on its service quality measures and organizational competence.

1.2 Boundaries

In communicating these objectives to workforce may create a challenge or challenges for managers and lead to confusions and allegations of operational and organizational inefficiency and ineffectiveness.

Customer Satisfaction should play a central role in any organization's total quality management (TQM). Customer Satisfaction has become one of the most essential business strategy topics (Eklof and Westlund, 1998).

The customers, including manufacturers, exporters, importers and traders, do not necessarily buy the highest quality services but buy services that provide more satisfaction (Lee, 2000). Factors such as convenience, price or availability may influence satisfaction while not actually affecting customers' perceptions of service (Lee, 2000).

These seven domains of satisfaction as discussed in this research include: Availability, Responsiveness, Empathy, Credibility, Competence of Workforce, Empowerment and Effective Communication. These factors are emphasized for service quality and organizational competence measurement and are most often utilized to develop the architecture for satisfaction measurement as an integrated model.

1.3 Main Aim of the Research

Higher emotional intelligence shown by a service provider leads to greater customer satisfaction (Salovey, 2002). The perceptions of the supplier are based primarily on internal and external performance measures that are related to creating a satisfied customer (Schofield and Breen, 2006).

The purpose of the work discussed in this research is to provide a study on anthropological development in a maritime supply chain organization, which further enhancing customer satisfaction level based on two key perspectives, service quality and organizational competence in order to establish best practices and business strategy that leads to greater customer satisfaction.

2. Background

In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

This chapter involves studying valuable articles which is related to this research, it explores on a study in further enhancing customer satisfaction level basing on human operational and organizational perspectives. In terms of operational excellence, it includes strategic management, continuous improvement and innovation whereas for organizational competence, they are competency of workforce, empowerment and effective communication. They served as independent variables in the research framework.

In the current climate of fierce competition the quality of service throughout industry is seen to be a source of competitive advantage and is something that cannot be ignored (Christopher, 1998). Achieving operational excellence is a journey, not a destination (Gonzalez, 2004).

Strategic management is a comparatively young discipline. Numerous studies have provided analytical frameworks, and there is considerable debate as to which approach managers should adopt in devising their strategies (McKiernan, 1997). There are four well-established frameworks to strategic management, namely planned approach, logical incrementalism, outside-in analysis and inside-out analysis, by McKiernan (1997).

Strategic management is one of the most important issues in all business areas, since every decision made by an organization's managers has strategic implications, and people at every organizational level have a role to play in developing, implementing and changing the organization's strategies (Chen, 2005). The previous studies in this field can be broadly identified as those undertaking an internal analysis (e.g. a resource-based view or core competence analysis), external analysis (e.g. I/O analysis or Porter's "five forces" model) and strategy planning (e.g. Boston Consulting Group; BCG model) (Chen, 2005).

The Strategic Management in four phases: "situation analysis", "strategy planning", "strategy implementation" and "strategy evaluation", and develop a strategic management model (strategic matrix) in accordance with these four processes (McKiernan, 1997).

Specifically, two ways of gaining an understanding of current strategic management, emphasizing first of all, the organization's interactions with its external and internal

environments, and thereafter, further developing a strategy based on benchmarking (Chen 2005).

Process improvement is crucial for every organization's survival and growth (Ungan, 2004). One of the potentially efficient ways to improve a process is to learn from the experience of others. In fact, learning organizations continually measure their performances and processes against others (Ungan, 2004). These comparisons lead companies to identify and transfer the best practices that produce superior results. This process is called benchmarking and it is considered as one of the most popular management tools (Ungan, 2004).

Maritime logistics organization cannot afford to remain at the status quo if they expect to succeed in this highly dynamic and competitive environment (Gonzalez, 2004). Instead, they must adopt continuous improvement methodologies such as Six Sigma that enable them to analyze performance, identify weaknesses and sources of variation, and rapidly make the necessary improvements (Gonzalez, 2004).

Growing profitably while outperforming the competition and enhancing customer loyalty is the burning platform that facing today Gonzalez, 2004). Considering the downward pressure on prices, the most significant way that retailers can improve their margins is by improving their productivity and reducing costs (Gonzalez, 2004).

It is obvious that in a business world where the complexity and dynamics of markets are increasing, and more demanding individual customers are emerging, only companies and their supply networks with efficient operative processes will remain competitive (Binder, Clegg and Egel-Hess, 2006). For that reason, it is sensible to benchmark performance in order to identify best practices and identify performance gaps as indicators for improvement opportunities (Binder, Clegg and Egel-Hess, 2006).

Finding new ways, especially through anthropological development, to improve productivity and streamline business processes has become a priority and in some cases a key to survival (Gonzalez, 2004). The ultimate goal is to capture not only impacts the financial statements of both retailers and manufacturers, but also undermines their ability to create and maintain customer loyalty (Gonzalez, 2004).

Customer satisfaction can lead to customer loyalty, customer retention and business profits. It is widely understood that keeping existing customers is far less costly than winning new ones (Li, Riley, Lin and Qi, 2006). Consequently, customer satisfaction has become one of the key operational goals of many organizations (Li, Riley, Lin and Qi, 2006). Such organizations have invested heavily in improving performance in customer satisfaction (Bose, 2002; Cao, 2005; Xu, 2002).

The central objective of measurement is to enable improvement of customer service in the direction of customers' expectations (Tian, 2003). The wider concept of performance management could be seen as embracing all aspects of performance, starting with definition of performance metrics, measurement procedure, analysis, comprehensive evaluation, and ending with the improvement process (Tian, 2003).

Innovative behavior defined as behavior directed towards the initiation and application (within a work role, group or organization) of new and useful ideas, processes, products or procedures (Farr and Ford, 1990). Innovative behavior can be seen as a multi-dimensional, overarching

construct that captures all behaviors through which employees can contribute to the innovation process.

Innovative behavior has a clearer applied component since it is expected to result in innovative output. However, it cannot be said that it comprises application only as innovative behaviors encompass employees' behaviors directed at the production of novel products, services and/or work processes (West and Farr, 1990; Scott and Bruce, 1994). In that sense, creativity can be seen as a part of innovative behavior that is most evident in the first phase of the innovation process, where problems or performance gaps are recognized and ideas are generated in response to a perceived need for innovation (West, 2002). The distinction between creativity and innovative behavior is one of emphasis rather than substance (West, 2002).

Many studies focus mainly on the creative or idea generation stage of innovation (Mumford, 2000; McAdam and McClelland, 2002). However, innovation also includes the implementation of ideas by the people.

Innovation theorists often describe the innovation process as being composed of two main phases: initiation and implementation (Zaltman, 1973; Axtell, 2000). The division between the two phases is believed to be the point at which the idea is first adopted; i.e. the point at which the decision to implement the innovation is made (Zaltman, 1973; Axtell, 2000).

The first stage ends with the production of an idea, while the second stage ends as soon as the idea is implemented (King and Anderson, 2002). To the changing expectations and actions of customers and competitors, must innovatively adapt in a cost-effective and efficient manner.

Organizational learning and knowledge management provides a strong theoretical basis connecting knowledge residing within employees and organizational performance (Hurley, 2002; Kim, 1993).

As organizations become more "knowledge intensive" (Stewart, 1997) and dependent on the knowledge worker as the organization's "single greatest asset" (Druker, 1993), the principle management challenge.

According to Grant (1997), is establishing mechanisms by which co-operating individuals can co-ordinate their activity in order to integrate their knowledge into productive activities.

Core competences or distinctive capabilities, are combinations of resources and capabilities, which are both unique to a specific organization and responsible for generating its competitive advantage (Chen, 2005). Although every company has available resources and capabilities to do whatever it does, not every company can effectively distinguish the resources or capabilities, which it has developed internally or acquired externally (Chen, 2005). Therefore, if developed solely on the basis of available internal resources, their strategies seem to lack a solid competitive foundation (Chen, 2005).

The organizational learning processes as one where management teams change their shared mental models of their company, their markets and their environment (De Geus, 1988). The characteristics of organizational learning are carried out through an individual knowledge is transferred to the organization so that it can be used by others (Sinkula, 1994). The organizational learning process is cyclical (Sinkula, 1997) and involves individuals interpreting

the outcomes of the interaction between an organization and its environment and learning by updating their beliefs about cause-effect relationships (Lee, 1992).

Empowerment was defined as the extent to which a leader delegated work to employees, provided resources and support services to employees and encouraged employees to make more decisions regarding daily operations (Kantabutra and Avery, 2007).

Empowerment is also directly predictive of enhanced customer and staff satisfaction. It is understandable because empowerment is the genuine downward distribution/ relinquishment of power and control to allow staff to respond to customer demands better, a process that improves follower satisfaction (Kantabutra and Avery, 2007).

A potential buffer against the stress involved in service roles is thought to be the empowerment of service providers in that it increases the employees' control of the situation and enhances their ability to provide satisfactory service (Yagil, 2006). Nevertheless, the buffering effect of empowerment as well as the stressful effect of unsuccessful relationships with the customers, apparently are influenced by the service providers' need for power (Yagil, 2006).

Empowerment frees energies that may have been held by internal resistance and power struggles, thus leading to successful vision implementation (Nanus, 1992).

Visionary leaders empower their people (Kantabutra and Avery, 2007). They do so to enable their followers to act consistently with the new vision and to assist in sustaining their commitment to it (Conger and Kanungo, 1987; Cowley and Domb, 1997; Nanus, 1992; Robbins and Duncan, 1987; Sashkin, 1988).

Together, the vision and the social contexts help to direct the energies of the people toward a common, audacious goal, to build a shared affective commitment to the vision, and to empower people to act to make its attainment possible (Kantabutra and Avery, 2007).

Empowerment is considered an effective buffer against stress because it provides individuals with important resources such as autonomy, participation in decision-making and a sense of competence, which help them cope with stressful events (Hobfoll, 1989; Spreitzer, 1995; Spreitzer, 1997). Empowerment affects employees' appraisal of stressful organizational events, such as downsizing, and is positively related to problem-focused coping in that it enhances the employees' evaluation of their ability to cope with threats (Mishra and Spreitzer, 1998).

Learning how to communicate in open, honest and effective ways will promote greater understanding and acceptance of the diversity in the organization and enable the development of better structures and concepts (Gamble and Kelliher, 1999).

The importance of feedback would further enhance the performance of the staff (Hillman, 1990). Many difficulties resulting in communication problems within the organizations, these include transmission problems, such as one sided (especially downwards) communication processes; suppression of information; mistakes in the facts communicated; the grapevine and rumor mill, and purposeful distortion (DeGreene, 1982). The interpretation and language used with different groups of staff will impact on the efficacy of a company's internal communication process (DeGreene, 1982).

Feedback plays an important role in establishing a work environment in which staff are motivated to perform to their maximum potential (Henderson and McAdam, 2003). Distinguishes between task and process feedback must provide clear information about errors and how to correct them (Cusella, 1987). Feedback provides the context and the opportunity for employees to learn, and make sense of the information (Klimecki and Lassleben, 1998; Watson and Harris, 1999).

Positive communication encourages and cultivates a work environment where staffs are motivated to perform (Hillmann, 1990). Recognition of group performance is also important, with participants perceiving their group to be more cohesive, motivated, satisfied and influential (Staw, 1975).

Through communication, "thinking collectively in dialogue and conversation" (Senge, 1990), organizational members mutually influence each other's views and change organizational shared realities. A well structured and effective communication process will support learning and will create opportunities through which explicit and/ or tacit knowledge can be originated, discussed and processed by individuals and groups and nurtured, so that such knowledge eventually becomes part of the "theory in use" (Nonaka, 2000).

Therefore, a key element that facilitates this "sharing" of learning are channels of communication, the work or spatial environment (or "architecture"), procedures and routines and systems or incentives that encourage members of organisations to utilise "enquiry" rather than rely on tacit knowledge (Marquardt, 1996; Nonaka, 2000; Probst and Buchel, 1997; Senge, 1990).

Such conditions are difficult to achieve within organizations, as self-reinforcing cycles of behavior can develop. Bad habits in the workplace can provoke behavior that serves merely to replicate the problem, for example, ambiguity or vagueness might mean that errors occur (Chell, 2001).

3. Objectives

Almost everything or everyone, in existence, does have an objective or objectives. This includes those from the private and government sectors. Every organization shall serve under, or along with their main objectives and the majority of these objectives, are direct or indirectly, probably beneficial to the society, in general.

As mentioned, the importance of this project is to study on anthropological development in maritime supply chain. The key word may be "How to ensure or make customer's satisfaction, towards an organization or company.

Generally, this project of mine, shall achieve or serve the following areas, eventually:

3.1 Project Based

It can be used as the guidelines or references for further improvement, in terms of customer service level, in my organization, heading for a better return of revenue in the long run.

3.2 Study Based

For me, lifelong learning has been essential. This is somehow, or reasonably good and helps in self-motivation and development, as the world is changing everyday, and new ideas and knowledge take place regularly.

3.3 Personal Based

Eventually, or some years from now, I shall be a consultant on logistics and supply chain management, of course continue enhancing the knowledge, supporting the transformation of logistics and supply chain management, and promoting the professionalism of logisticians or logistics practitioners in Malaysia.

4. Methodology

This chapter explains the research methodology employed throughout the study. The topics of coverage in this chapter include research design, unit of analysis and sampling procedure as well as questionnaires design.

A total of 200 questionnaires are being targeted to be sent to those individuals who are presently servicing the Logistics and Transport Industry, or better be known as the practicing logisticians, in Penang. The targeted organizations are randomly selected from the members of the North Malaysia Shipping Agents' Association (NMSAA), Shipping Association Malaysia (SAM) and Penang Freight Forwarders' Association (PFFA).

This research proposed six dimensions to measure customer satisfaction. First from Operational perspectives, they include Strategic Management, Continuous Improvement and Innovation while Organizational are Competency of Workforce, Empowerment and Effective Communication.

4.1 Research Design

The ultimate goal of this research is to identify factors that enhancing customer satisfaction level based on the viewpoint of operational and organizational.

This study is adopted Causal Research Methodology to an exploratory application of the proposed modeling approach. In this mix, there are three representatives from each of the two dimensions: operational and organizational.

4.2. Unit of Analysis and Sampling Design

The unit of analysis in this research is conducted at the individual level. Therefore, individuals who are presently servicing the Logistics and Transport Industry in the Northern Malaysia

context are measured. In addition, from Middle Management to Senior Managements' perception of the study variables are evaluated.

The convenience sampling would be employed in this research. According to Yagil (2006), convenience sampling was most often adopted in a research project and may be it is the best way of obtaining some fundamental information more efficiently and effectively.

4.3 Questionnaire Design

All questionnaires will be substantiated with the letterhead, with cover letter addressing the purpose of the study.

The questionnaire would be created in three focal sections:

Section "A" will review respondents' profiles include job functions, roles and responsibilities.
Section "B" will measure individuals' perceptions on operational factors.
Section "C" will measure individuals' perceptions on organizational factors.

5.0 Conclusion

To initiate innovations employees can generate ideas by engaging in behaviors to explore opportunities, identify performance gaps or produce solutions for problems. Opportunities to generate ideas lie in incongruities and discontinuities – things that do not fit expected patterns, such as problems in existing working methods, unfulfilled needs of customers, or indications that trends may be changing. In the implementation phase employees can play a valuable role in the innovation process by demonstrating application-oriented behavior. For example, employees with a strong personal commitment to a particular idea may be able to persuade others of its value. Employees can also invest considerable effort in developing, testing and commercializing an idea.

Customer satisfaction is an additional vital organizational variable, which is very much dependent on human capital development of an organization Customer satisfaction equals perception of performance divided by expectation of performance.

High levels of satisfaction, satisfaction will be the most essential determinant of customer loyalty Over the last decade, organizations of all types and sizes, particularly the maritime logistics companies have increasingly realized the importance of customer satisfaction. Customer satisfaction is additionally said to be an indicator of other critical measures of business performance such as customer loyalty, profit, market share, and growth In addition, employee satisfaction is considered closely related to customer satisfaction.

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