

# Creating And Maintaining A Service Culture In Sme's: A Strategic Imperative For Global Economic Participation

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## Abstract

International business is no longer the province of large multinational firms, but also that of SME's. However, in reality it implies that SME's needs to be competitive in terms of customer service. Henkoff (1994:14) describes this service challenge as follows:

QUALITY SERVICE, Welcome to the front line of the new world economy where service - bold and fast, unexpected, innovative, and customized - is the ultimate strategic imperative, a business challenge that has profound implications for the way we manage companies, hire employees, develop careers, and craft policies.

This paper argues that it is imperative for SME's in South Africa (with special reference to those SME's in central South Africa) to be competitive in terms of their customer service in order to participate in the global economy. The paper also propose that a primary consideration in achieving a desired level of customer service is the creation and maintenance of a culture of service excellence. This is substantiated by a demonstration of the relationship between business success and a culture of service excellence through a re-analysis of PIMS data. Specifically, a shift away from a *profit-focused culture towards a customer-focused culture* by SME's is suggested. To gain a comprehensive understanding of this issue the importance of organisational culture, the reasons for cultural change failures and a conceptual model for achieving the cultural change is considered.

Finally the study reports empirically that the major reasons for the poor performance of South African SME's on service quality is related to a lack of competition during South Africa's years of isolation, an unstable business environment and inadequate training in the managing and marketing of services. Major problem areas in the management of service quality in South African SME's is also empirically reported.

The study concludes that it is of utmost importance for South African small and medium enterprises to adopt a culture of service excellence in order for them to begin their journey to world competitiveness.

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Due to technical difficulties with this paper, the full text is not available at this time. Please contact the author for a copy of the text of this paper.