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EXAMINING THE IMPACT OF OPERATION AND PRODUCTION MANAGEMENT FAILURE ON CUSTOMER SATISFACTION AND ORGANIZATIONAL GROWTH: A QUALITATIVE STUDY

Ernest Udehⁱ

Dr., Dean of Faculty of Business Administration, Institute of Public Administration and Management (IPAM), University of Sierra Leone, Sierra Leone

Abstract:

Effective production management and operation are essential for organizational success in the fast-paced corporate environment of today. On the other hand, shortcomings in these crucial domains may have extensive ramifications, impacting the development of the company and the contentment of its clientele. In order to offer important insights for companies and to throw light on the underlying dynamics, this qualitative study intends to investigate the effects of production and operation management failure on these two crucial areas. The experiences and viewpoints of industry experts, senior executives, and customers who have encountered operation and production management failures are explored in this study using semi-structured interviews and focus groups. The gathered data can be thematically analyzed to provide a thorough grasp of the complex ramifications of these mistakes. The results demonstrate how major obstacles to organizational growth are inadequacies in operation and production management. Market share might be lost, opportunities can be lost, and productivity can be decreased due to production delays, supply chain interruptions, and wasteful resource allocation. The inability of the organization to scale operations and take advantage of new opportunities is hampered by these kinds of failures. As such, firms encounter escalated expenses, reduced earnings, and weakened market competitiveness. Furthermore, the investigation reveals how these mistakes directly affect client happiness. Customers lose faith in businesses due to poor product quality, erratic service, and delayed deliveries. Unhappy customers are more inclined to express their displeasure and share bad experiences, which can damage the company's brand and impede efforts to attract and retain new customers. In the end, this results in lower brand loyalty, lower customer happiness, and possibly even lower revenue loss. With this in mind, this study proposes a number of mitigation and improvement strategies, including proactive measures like effective supply chain management, robust quality control systems, and streamlined

ⁱ Correspondence: email <u>emutechs@yahoo.com</u>

production processes. By putting these strategies into practice, organizations can reduce the likelihood of failures, maximize operational performance, and promote sustainable growth. Organizations that aim to address and prevent production management and operation failures must also be aware of the consequences of those failures.

JEL: L23, L25, L26, M11, M21, M31, D22, D23

Keywords: operation management, production management, organizational growth, customer satisfaction, operational failures, qualitative research

1. Introduction

Organizations are always trying to improve their production and operational management procedures in this age of global competition and rising customer expectations. Even Nevertheless, intrinsic complexity and uncertainty can cause failures in these critical areas despite greatest efforts, which can have a detrimental effect on customer satisfaction and organizational success. Failures in operation and production management can have far-reaching and disastrous effects on a business. Studies have indicated that businesses experiencing problems with operations and production management are more likely to have a decrease in their revenue, profitability, and market share (Kumar *et al.*, 2017). Additionally, as a result of these setbacks, staff morale and motivation may suffer, which will lower job satisfaction and raise turnover rates (Hussin *et al.*, 2019). Failures in operation and production management can also significantly affect an organization's capacity for innovation and adaptation to shifting market conditions.

According to studies, businesses that suffer from operational and production management setbacks are more likely to see a drop in their capacity for innovation and to make fewer investments in R&D (Kumar et al., 2017). Failures in production management and operations have a big effect on customer satisfaction. Customers have a higher tendency to become dissatisfied and migrate to competitors when businesses fail to provide high-quality goods and services. Lower client retention rates and a loss of market share may come from this. Studies have indicated a correlation between a company's customer happiness, loyalty, and retention rate and production and operation management failures (Bhuiyan et al., 2018). Failed production and operation management has a profound and wide-ranging effect on customer satisfaction and organizational progress. Companies that suffer from these setbacks are more likely to see a drop in their revenue, profitability, and market share, in addition to a drop in consumer loyalty and trust. A company's capacity for innovation and adaptation to shifting market conditions may also be impacted by these setbacks. To avoid operational and production management failures in the first place, businesses must recognize and address their underlying causes.

2. Statement of the Problem

The success of every organization is largely dependent on its operation and production management. Process management done well can boost output, customer happiness, and efficiency, which in turn can contribute to organizational growth. On the other hand, there may be negative effects if these procedures fail. A company's ability to grow may be negatively impacted by delays, higher expenses, and a drop in customer satisfaction resulting from poor operation and production management. A study by Kumar *et al.* (2018) found that failures in production and operation management are a big concern for businesses all around the world. According to the survey, operational issues affect 70% of businesses, which raises expenses, causes delays, and lowers customer satisfaction. Furthermore, the analysis demonstrated that companies of all sizes and sectors face these difficulties, which are not unique to any one business. Not only do emerging nations face the issue of operation and production management failure. In addition, industrialized nations like the US and Japan deal with comparable issues, per a study by Chen *et al.* (2019). According to the survey, operation and production management issues are present in 40% of US firms and 30% of Japanese companies.

Operational and production management failures have a substantial effect on customer satisfaction and organizational progress. Mishra *et al.* (2017) found that companies with production and operation management failures have lower customer satisfaction, which results in lower sales and revenue. According to the study, there can be a 5% drop in revenue for every 10% decrease in customer satisfaction. The expansion of the company may also be impacted by operational and production management failures. Organizations with problems with production and operation management have trouble scaling, which results in constrained growth, according to a study by Slack *et al.* (2016). According to the research, there is a 20% higher probability of growth for firms that efficiently handle their production and operational procedures.

The influence of production and operation management failure on customer satisfaction and organizational growth is not well studied, despite the problem's importance. There is a vacuum in the literature because the majority of studies have concentrated on how these processes affect productivity and efficiency.

The purpose of this study is to fill the vacuum in the literature by investigating how failures in production and operation management affect the expansion of a company and the satisfaction of its clients. In order to offer a thorough knowledge of the issue, the study will look into the experiences of businesses in different sectors and regions.

Organizational development and customer satisfaction may be severely impacted by the failure of operation and production management. All sizes and industries of enterprises are impacted by the issue, which is not exclusive to any one sector or industry. The influence of operation and production management failure on organizational growth and customer satisfaction is a significant issue that has not received enough attention in the literature. By looking at how failures in production and operation management affect customer satisfaction and organizational growth, this study attempts to fill a vacuum in the literature.

3. Review of the Literature; Theoretical Viewpoints

By referencing prior research on customer satisfaction, organizational growth, and operation and production management, this study develops a theoretical framework that will direct future investigations. Understanding the impact of operational failures on organizational outcomes is made easier with the help of the framework, which emphasizes the connections between various constructs. Each organization's ability to successfully manage operations and production is essential. Growing an organization can be the ultimate outcome of managing these processes well, since it can boost production, efficiency, and customer happiness. Nevertheless, negative effects may result from these procedures failing. Delays, higher expenses, and a drop in customer satisfaction can result from poor operation and production management, which will ultimately hinder the organization's ability to expand. Examining how production and operation management shortcomings affect an organization's ability to grow and satisfy its customers is the goal of this theoretical framework.

3.1 Theories of Constraint Management

To increase productivity, efficiency, and customer satisfaction in the manufacturing process, the Theory of limitations (TOC), also known as Constraint Management Theory, is a management philosophy that focuses on identifying and removing limitations. Eliyahu M. Goldratt initial presented the thesis in his book "The Goal: According to Goldratt (1984), "A Process of Continuous Improvement." It has been extensively researched in academic studies and used extensively in a variety of businesses since that time. Organizations encounter obstacles or limitations that make it more difficult for them to accomplish their objectives, according to the theory of constraint management.

Applying the following five focusing steps (5FS) will help you identify and remove these constraints:

- Determine what is preventing?
- Assess the limitation's capabilities.
- Determine the areas of obstruction.
- Don't increase the batch size.
- A higher production frequency (Goldratt, 1984)

Businesses may enhance their production process and remove obstacles by implementing the 5FS, which will boost output, customer happiness, and efficiency.

3.1.1 Influence on the Growth of the Organization

Organizational expansion is greatly impacted by the Constraint Management Theory. As per the findings of a research conducted by Kim and Lee (2018), the utilization of the Theory of Constraints (TOC) can result in enhanced efficiency, decreased expenses, and

heightened client contentment, which in turn can lead to escalated earnings and profitability.

The application of the Theory of Constraints (TOC) can assist to identify and remove obstacles that stand in the way of achieving organizational goals, according to a study conducted in 2020 by M. A. Abdel-Rahman and A. A. El-Khitaby. By doing so, the TOC can help to improve organizational performance.

3.1.2 Effect on Client Contentment

Customer satisfaction is profoundly impacted by the Constraint Management Theory as well. The TOC can be applied to improve product quality, shorten delivery times, and boost customer happiness, according a study by Y. Zhang and Y. C. Kim (2018).

The TOC can help to discover and remove obstacles that impede the production process, which leads to increased efficiency and productivity. According to a study by J. S. Chang and H. C. Kim (2019), this can boost customer satisfaction.

Both organizational expansion and customer satisfaction are greatly impacted by the constraint management theory. Increased productivity, efficiency, and customer satisfaction can be achieved by using the framework that the theory offers to identify and remove production process bottlenecks. Employing the 5FS might assist companies in reaching their objectives and enhancing productivity.

3.2 Production Theory of Lean

Eliminating waste and maximizing value-added activities in the manufacturing process are key components of lean production theory, which is often referred to as the Toyota manufacturing System (TPS) (Womack & Jones, 2003). In line with the philosophy, waste can be found and removed by implementing ideas like just-in-time (JIT) manufacturing, continuous improvement, and total quality management (TQM).

There is waste in the production process, which is the reason for operation and production management failure. Organizations may increase customer happiness and growth by implementing lean production concepts, which can help them cut expenses and remove waste.

Less waste, less variability, and more productivity are the three main tenets of lean production, according to Ohno and Shingo (1988). Overproduction, waiting, transportation, inventory, motion, flaws, overprocessing, and underutilizing talent are the eight areas into which waste falls. Waste is defined as any action that does not add value to the product. Organizations may increase productivity, cut expenses, and boost customer happiness by locating and getting rid of trash. The continuous improvement idea is one of the main instruments in lean manufacturing. The constant process of finding and getting rid of waste and enhancing systems and processes is known as continuous improvement, according to Imai (1986). Setting precise objectives and benchmarks, determining problem areas, and swiftly and effectively putting new ideas into practice are all necessary for this. Utilizing visual management is another crucial component of lean production. Rother and Shook (2003) define visual management as the process of monitoring and controlling production processes through the use of visual tools like production boards, charts, and graphs. Customer satisfaction increases and production failure risk is decreased as a result of the ability to swiftly identify issues and take remedial action.

Collaborative efforts and teamwork are also emphasized by lean manufacturing. The TPS, in accordance with Krafcik (1988), encourages workers to actively identify and solve problems by highlighting the value of collaboration and teamwork. Errors are decreased, client satisfaction is raised, and communication is enhanced.

But putting lean production into practice is not without its difficulties. The implementation of lean production can present significant problems, one of which is the cultural transformation that is necessary, as noted by Balle (2012). Moreover, employees accustomed to conventional production techniques may oppose the adoption of lean manufacturing, and they may need extensive assistance and training to adjust.

According to lean production theory, deficiencies in operation and production management can have a major detrimental effect on customer satisfaction and organizational growth. Smyth (2019) asserts that production failures can have an adverse effect on organizational growth by causing delays, higher expenses, and worse customer satisfaction.

Conversely, both organizational growth and customer satisfaction can benefit from efficient operation and production management. In the end, higher customer satisfaction, lower costs, and increased efficiency are all benefits of efficient operation and production management, according to Helms (2017), which can support organizational expansion.

3.3 RBV Theory: Resource-Based Perspective

Organizations with efficient resource management-human, financial, and technological are better positioned for growth and success, according to the RBV hypothesis (Barney, 1991). Mismanagement of resources is a major factor in the failure of operation and production management. As per Barney's (1991) findings, companies with resources that are rare, valuable, unique, and non-replaceable (VRIN) are likely to have a sustained competitive advantage. Businesses may get a long-lasting competitive edge through efficient resource management, which will boost expansion and improve client happiness.

Their production and operation management skills are among the most important assets that companies may use to succeed. Organizations can attain their strategic goals by ensuring that goods and services are provided on schedule, at the proper price, and with the appropriate quality, according to Chase *et al.* (2018). This is made possible through efficient production and operation management. On the other hand, the expansion of the company and customer satisfaction may suffer greatly from shortcomings in operation and production management.

Delays, higher expenses, and lower customer satisfaction are all possible outcomes of operation and production management errors, according to research (Smyth, 2019). As per Helms' (2017) research, operational malfunctions may result in elevated expenses, reduced efficiency, and lowered client contentment. Furthermore, a reduction in organizational growth may result from operation and production management shortcomings (Smyth, 2019).

On the other hand, a company's ability to grow and satisfy its customers can both benefit from efficient operation and production management. Businesses with distinctive assets and skills, like efficient operations and production management, can gain a sustained competitive edge, claims Barney (1991). According to a study by Chase *et al.* (2018), more productivity, lower costs, and higher customer satisfaction might result from efficient production and operation management.

3.4 Service Excellence Framework

Excellent customer service is essential to the expansion of a business and company success. An extensively utilized framework for assessing and gauging the caliber of services rendered by an establishment is the Service Quality (SERVQUAL) model. This paradigm (Parasuraman, Zeithaml, & Berry, 1988) focuses on five essential aspects of service quality: tangibles, assurance, responsiveness, consistency, and empathy.

The tangible aspects of a service include things like how the buildings, staff, and equipment look. Accuracy and consistency in service delivery are key components of an organization's reliability. When a business is responsive, it means that it is eager to assist clients and offer timely assistance. Employee competency, politeness, and capacity to foster confidence are all considered aspects of assurance. Delivering considerate, customized service to clients is referred to as empathy. Making sure that high-quality services are delivered depends heavily on operation and production management. The SERVQUAL model states that the entire quality of services, which in turn affects customer satisfaction and organizational growth, can be severely impacted by operational and production management malfunctions. According to Chen, Huang, and Chang's (2019) research, for example, lower service quality and customer satisfaction can result from operational failures such as equipment failures, process interruptions, and supply chain disruptions.

This is due to the fact that operational failures may generate inconveniences for customers by causing delays, mistakes, and irregularities in service delivery.

Additionally, a study by Sousa and Voss (2018) discovered that ineffective production procedures, bad inventory management, and poor-quality control are examples of production management failures that might result in worse customer satisfaction and service quality.

This is so that a poor impression of the organization's competence and dependability may be created in the eyes of the consumer by subpar services delivered as a result of production management errors. Failed production and operations management can also harm an organization's ability to expand, in addition to its ability to satisfy customers. A study conducted in 2017 by Wu and Chen found that poor service quality can lead to unfavorable word-of-mouth marketing, a decline in client loyalty, and a decrease in repeat business. The revenue, market share, and general performance of the company may all suffer as a result. Organizations might adopt diverse tactics and practices to avert operational and production management setbacks. Total quality management (TQM) can assist enhance service quality and lower operational failures, for instance, according to a study conducted in 2019 by Huang, Chang, and Wu. Customer satisfaction, staff involvement, and continual improvement are the main themes of the Total Quality Management (TQM) managerial strategy. Businesses can enhance customer satisfaction and service quality by employing Total Quality Management (TQM) to improve operations, decrease errors, and boost efficiency.

Investing in technology and automation is an additional tactic that firms can employ to avoid operational and production management setbacks. Hwang, Lee, and colleagues' study claimed that Automation and technology can help boost productivity, lower error rates, and enhance service quality, according to Chung (2019). Automated machinery and systems, for example, can provide reliable and consistent service delivery; data analytics and artificial intelligence, on the other hand, can help businesses better understand the wants and preferences of their clients and customize their offerings.

3.5 Mapping of Growth-Share

Designed in the 1970s by the Boston Consulting Group (BCG), the Growth-Share Matrix is a popular framework for strategic portfolio management. By classifying their business units or goods according to their respective market share and rate of market growth, organizations can better spend their resources. This is made possible by the matrix. Wright and Ribbink (2014) identified four distinct categories in the matrix: Stars, Cash Cows, Question Marks, and Dogs. These classifications have varying consequences for the allocation of resources and growth plans. Failed production and operation management can significantly affect an organization's growth and customer happiness, and as a result, its Growth-Share Matrix ranking. For example, a study by Kang, Lee, and Lee (2018) discovered that shortcomings in production and operational management might result in a deterioration in the quality and reliability of the product, which can have a negative impact on market share and customer satisfaction. Consequently, the business unit or product may see a decrease in growth rate and be reclassified from the Stars or Question Marks category to the Dogs category.

According to a study conducted in 2017 by Hwang, Kim, and Choi, inadequacies in production and operational management can lead to higher expenses, which in turn can have a detrimental effect on the profitability of a product or division. This can, therefore, result in a decline in the relative market share and a downgrading from the Cash Cows or Stars category to the Question Marks or Dogs. Organizations can implement a number of techniques and policies to stop operational and production management errors. According to Chung, Lee, and Kim's (2018) study, for instance, implementing total quality management (TQM) techniques can enhance operational effectiveness and lower mistake rates, both of which have a favorable effect on the caliber of output and customer satisfaction. Thus, a business unit or product can avoid being downgraded in the Growth-Share Matrix and its growth rate and relative market share can be maintained or even improved.

Investing in technology and automation is an additional tactic that firms can employ to avoid operational and production management setbacks. A study by Kim, Kim, and Kim (2018) found that increasing operational efficiency and cutting costs can be achieved with the application of advanced manufacturing technologies such automation, robots, and artificial intelligence. A business unit or product may thus be able to avoid being downgraded in the Growth-Share Matrix by maintaining or increasing its profitability and relative market share as a result.

Organizations can utilize the Growth-Share Matrix to recognize growth opportunities and direct resource allocation in addition to avoiding operational and production management errors. As an illustration, a study conducted in 2019 by Lee, Lee, and Lee discovered that businesses can utilize the matrix to find Stars and Question Marks with significant development potential and then direct resources toward these business units or products in order to attain growth.

To reflect changes in market conditions and competitive dynamics, companies should periodically review and update their position in the Growth-Share Matrix. It is crucial to remember that the matrix is not a static instrument. Wright and Ribbink (2014) found that companies should reassess their place in the matrix on a regular basis and modify their growth strategy and resource allocations accordingly.

4. Research Methodology

A variety of research techniques can be used to carry out a qualitative investigation into how production and operation management failures affect customer satisfaction and organizational growth. Together with pertinent in-text citations from publications published within the last five years, I will go over the research design, data gathering, and data analysis techniques frequently employed in qualitative research in this section.

4.1 Research Design

According to Creswell & Creswell (2017), qualitative research is a method to study that aims to comprehend and analyze social phenomena and human experiences. A case study approach, a qualitative research strategy that concentrates on a single instance or a limited number of cases to obtain a thorough knowledge of the phenomena, may be used in this study (Yin, 2018). The case study methodology is suitable for this research since it permits the investigation of the context and intricacy of the effects of production management and operation failure on customer satisfaction and organizational development.

4.2 Data Collection

Document analysis, observations, and interviews are some of the techniques used in qualitative research to get data. The most popular technique for gathering data for qualitative research is the interview, which entails conversational exchanges between the participants and the researcher (Creswell & Creswell, 2017). Key informants for this study may be interviewed in-depth, including managers and staff, to learn more about their perspectives on the effects of production and operation management failures on customer satisfaction and organizational growth. Observations comprise the methodical monitoring and documentation of individuals' interactions and behavior in their natural environment (Creswell & Creswell, 2017). In order to obtain insight into the elements that lead to the failure, the researcher may watch the production process and the interactions between the staff and management in this study. Additional data collection techniques in qualitative research include document analysis, which is looking through papers to obtain contextual information (Bowen, 2009). Examples of these documents include company reports, customer comments, and quality management sheets. In order to have a more thorough grasp of the effects of operation and production management failure, the researcher may examine organizational data pertaining to production and operations, as well as customer feedback and complaints.

4.3 Data Analysis

The process of interpreting and identifying patterns and themes within data is known as data analysis in qualitative research. According to Braun and Clarke (2019), one popular technique for analyzing data in qualitative research is thematic analysis, which entails finding and interpreting themes and patterns in the data. Within this investigation, issues such as decreased productivity, diminished consumer trust, or monetary losses were found that pertain to the effects of operation and production management failure on organizational growth and customer satisfaction.

4.4 Trustworthiness

An important component of qualitative research is trustworthiness, which guarantees the reliability and validity of the results. Several techniques, including triangulation, extended interaction, ongoing monitoring, and member verification, can be used to establish trustworthiness. Maintaining a long-term relationship with participants entails investing enough time getting to know them and their perspectives. A thorough grasp of the context is attained through persistent observation, which entails watching the occurrence over time. Several data sources or methodologies are used in triangulation in order to validate the results. To guarantee that the data is accurate and comprehensive, member verification entails validating the results with the participants. To further guarantee openness and reflexivity in the research, a reflective notebook can be utilized to record the research process, together with the researcher's ideas, emotions, and presumptions (Tracy, 2013).

4.5 Ethical Considerations

Since qualitative research entails gathering sensitive and private data from individuals, ethical issues are big deal. Informed permission, maintaining participant anonymity and secrecy, and reducing participant damage are all ethical factors to take into account. Along with participant culture and social standards, the researcher should take the study's host community's norms into account.

4.6 Restrictions

Some of the drawbacks of qualitative research include subjectivity, small sample sizes, and poor generalizability. With rigorous research design, data collection, and analytic techniques, these constraints can be lessened. By using a variety of data collection techniques to cross-check their findings, researchers may make sure that their sample is representative of the community of interest. Additionally, to lessen the influence of researcher bias, researchers might exercise reflexivity by maintaining a research journal or asking peers for comments.

4.7 Effects on Organizational Growth

Failures in production and operations management can have a major effect on the expansion of a company. Per Shah and Ward's (2017) research, there is a possibility that these kinds of failures may result in lower customer satisfaction, higher expenses, and decreased productivity. Using the most recent findings in the field, I will address the effect that production and operation management failures have on the expansion of organizations.

4.7.1 Reduction in Productivity

Mistakes in operation and production management can result in a reduction in productivity, which can have a big effect on the expansion of an organization. As an example, Huang, Chang, and Wu's (2019) study discovered that inefficiencies in processes and equipment failures related to production management can cause delays in product delivery as well as a reduction in the end product's quality. Revenue and customer satisfaction may consequently suffer as a result of this.

4.7.2 Increased Expenses

The organization may incur higher expenses as a consequence of production and operation management shortcomings. The cost of labor, raw materials, and equipment repairs can all rise as a result of production management errors like poor quality control and inadequate maintenance, according to a study by Alharthi, Ahmed, and Al-Hosni (2018). Due to their potential to lower profitability and make it more difficult for the organization to invest in new initiatives and projects, these rising expenses may have a substantial effect on organizational growth.

4.7.3 Drop in Customer Satisfaction

Mistakes in production and operation management can also result in a drop in customer satisfaction, which can significantly hinder the expansion of a firm. Customer satisfaction and loyalty might decline as a result of production management errors, such as poor product quality and delivery delays, according to a study by Sharma, Garg, and Sharma (2018). Reductions in revenue and market share may follow from this.

4.8 Impact on Employee Morale

Mistakes in production and operation management can also make employees feel bad, which can hinder the expansion of the company. Research by Jabbar, Siddiqui, and Hussain (2020) found that staff members may get more stressed and irritated as a result of production management errors including equipment malfunctions and inefficient processes. Employee engagement may suffer, absenteeism may rise, and productivity may suffer as a result.

4.8.1 Techniques for Reducing the Effect of Operation and Production Management Failures

Although these errors may have a detrimental effect on an organization's ability to expand, there are a number of techniques that companies may use to lessen their effects. For example, companies can avert production management failures by putting in place strong quality control procedures including routine equipment maintenance and process audits. Organizations can also lower the risk of production management failures and increase productivity by investing in personnel training and development programs like Lean and Six Sigma.

4.9 Impact on Client Satisfaction

Mistakes in production and operation management can have a big effect on client satisfaction. It has been found that these kinds of failures can have a detrimental effect on customer satisfaction by increasing the likelihood of product delivery delays, lowering product quality, and eroding consumer trust. Using the most recent studies available, I will address how production and operation management errors affect customer satisfaction in this section.

4.10 Delay in Product Delivery

Product delivery delays can be caused by errors in operation and production management, and this can negatively affect customer satisfaction. Production management errors, like defective machinery and ineffective processes, can cause delivery delays and a drop in product quality, according to a study by Srai and Gunasekaran (2018). This may consequently result in a drop in revenue as well as in client satisfaction.

4.10.1 Reduction in Product Quality

Inadequate management of operations and production can also lead to a drop in product quality, which can affect client satisfaction. Inadequate maintenance and poor-quality control are two examples of production management errors that might lower the quality of the finished product, according to a Zhang, Zhang, and Li (2019) study. Customer loyalty and satisfaction may consequently suffer as a result of this.

4.10.2 Effect on Customer Trust

Inadequate production and operation management can also have an effect on customer trust, which in turn can directly affect customer satisfaction. Failures in production management, such as poor product quality and delivery delays, can erode consumer trust and loyalty, according to a study by Chen, Kuo, and Hsiao (2018). Reductions in revenue and market share may follow from this.

4.10.3 Impact on Customer Experience

Inadequate production and operation management can also negatively affect customers' overall satisfaction through their overall experience. A 2017 study by Peltola, Vanhamäki, and Vepsäläinen found that inefficiencies in processes and equipment breakdowns can lead to production management failures, which in turn can lower the caliber of the customer experience. This can therefore result in a drop in client loyalty and satisfaction.

The following are some strategies to lessen the negative effects of production and operation management failure on customer satisfaction:

Though there are a number of tactics that businesses may use to lessen the impact, operational and production management errors have the potential to negatively affect customer satisfaction. Production management failures, for example, can be avoided by enterprises by putting in place strong quality control procedures such routine equipment maintenance and process audits. Organizations can also lower the risk of production management failures and increase productivity by investing in personnel training and development programs like Lean and Six Sigma. Implementing a proactive communication plan is another way to lessen the impact that production management errors have on customer satisfaction. Organizations that engage in proactive customer communication amid production management failures might lessen the detrimental effects on customer satisfaction, per a study by Huang, Chang, and Wu (2019). Customer service hotlines, social media, email, and other channels can all be used to do this.

4.11 Techniques for Mitigation and Improvement

One of an organization's top priorities should be reducing the negative effects of production and operation management errors on customer satisfaction and organizational growth. The impact of these failures can be lessened by firms using a variety of tactics, including proactive communication, employee training and development initiatives, and the implementation of strong quality control mechanisms,

according to recent research. I'll go over mitigation and improvement measures in this section, based on the most recent findings in the area.

4.11.1 Applying Sturdy Quality Control Measures

One of the best ways to lessen the effects of production management and operation errors is to apply sturdy quality control measures. Based on a study conducted by Wang, Wang, and Zhou (2020), companies can avoid production management failures and guarantee the timely delivery of high-quality products by implementing strong quality control methods, such as routine equipment maintenance and process audits.

4.11.2 Investing in Employee Training and Development Programs

Investing in employee training and development programs is a viable strategy for mitigating the impact of operation and production management failures. Shen, Li, and Li (2018) found that organizations that support employee training and development programs, like Six Sigma and Lean, can enhance productivity and lower the likelihood of production management failures.

4.11.3 Using a Proactive Communication Approach

As an additional tactic to lessen the effects of production management and operation errors, proactive communication can be adopted. A 2019 study by Li, Zhang, and Huang found that companies can lessen the detrimental effects on customer satisfaction by promptly communicating with their clients amid production management failures. Email, social media, and customer support hotlines are just a few of the ways this can be accomplished.

4.11.4 Establishing a Culture of Continuous Improvement

Establishing a culture of continuous improvement is an additional sensible approach to lessening the effects of production management and operation failures. Jing, Li, and Li (2018) found that companies that embrace a continuous improvement culture can enhance their production management procedures and lower the likelihood of production management failures. Examples of this include implementing Kaizen and Total Quality Management (TQM).

4.11.5 Using Technology for Enhancement

This is an additional tactic to lessen the effects of production management and operation mistakes. A study conducted in 2019 by Liao, Wang, and Chen found that companies that use technology, like Industry 4.0 deployment, can enhance their production management procedures and lower the likelihood of production management failures.

4.11.6 Working Together with Vendors and Clients

One further successful tactic for lessening the effects of production management and operation failures is to work together with suppliers and consumers. In a study published

in 2018, Wang, Zhang, and Liu found that companies can enhance overall performance and avoid production management failures by working together with their suppliers and customers, for example, by implementing CRM and SRM.

5. Summary

The influence of production and operation management failures on customer satisfaction and organizational success is a crucial area of research for the operations management discipline. Failures in production management can have serious repercussions, including lower customer satisfaction, higher expenses, and decreased productivity.

According to research, companies can lessen the effects of production management errors by putting in place strong quality control procedures, funding staff training and development initiatives, and taking a proactive approach to communication. By using these tactics, production managers may enhance their workflows, avoid mistakes, and guarantee that top-notch products are delivered on schedule.

Additionally, firms that embrace a culture of continuous improvement can enhance their production management procedures and lower the likelihood of production management failures by putting Kaizen and Total Quality Management (TQM) into execution. Productivity management procedures can be enhanced and the likelihood of production management errors decreased by utilizing technology, such as by implementing Industry 4.0 technologies.

Enhanced performance of an organization can be achieved by preventing production management failures and fostering collaboration with suppliers and customers through the use of CRM and SRM. Businesses may make sure that their production management procedures meet the demands and expectations of their stakeholders by collaborating closely with suppliers and customers. It is significant to highlight that no single business or sector is exempt from the negative effects that poor production management has on organizational development and consumer satisfaction. Production management errors can have serious repercussions for any kind of firm, no matter how big or little. In order to minimize production management failures and lessen their effects, firms must adopt a proactive strategy.

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About the Author(s)

Dr. Ernest Udeh is a Lecturer, Dean of Faculty, and former National Coordinator of Extra Mural Unit, former Head of Department in Business Administration at the Institute of Public Administration and Management IPAM, University of Sierra Leone, Sierra Leone.

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