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# Theme Emerging General Management Practices & New Paradigms Sub –Theme Awareness of Total Quality Management in the Hospitality Industry

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<sup>3</sup>Near Jain Samaj Bhawan, Dhara ka Bass, Mahamandir, Jodhpur-342001 Awareness of Total Quality Management in the Hospitality Industry

*Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives - William A. Foster.*

*Total Quality Management (TQM) is a management philosophy that seeks to integrate all organizational functions to focus on meeting customer needs and organizational quality objectives; TQM is one of the most applied and well accepted approach between the contemporary innovations such as six sigma, just – in – time to achieve business excellence. TQM initiatives continuously search the needs of the customers and incorporate them in the organization on an ongoing basis. For this reason, the majority of research study has been undertaken in this field and is still going on across the world, especially in the developing countries, which are lagging behind in the implementation of TQM. Considering the above reasons, the purpose of this paper is to assess the awareness of TQM program in the hospitality industry.*

*Quality in the hospitality industry involves consistent delivery of products and guest services according to expected standards. Delivering quality service is one of the major challenges the hospitality managers will be facing in the following years as it is an essential condition for success in the emerging, keenly competitive, global hospitality markets. Hospitality industry had realized the great importance of adopting and implementing TQM process in order to maintain a sustainable competitive advantage in a rapid changing environment. There are various tools that measure and improve quality service, as well as mechanisms for quality recognition in the hospitality industry.*

**Keywords:** total quality management, hospitality industry, business performance, quality awareness

## I. INTRODUCTION

Total Quality Management (TQM) is a management approach that originated in the 1950's and has steadily become more popular since the early 1980's. TQM is a method by which management and employees can involve in the continuous improvement of the production of goods and services. It is combination of quality and management tools aimed at increasing business and reducing losses due to wasteful practices. It is a management philosophy that seeks to integrate all organizational functions to focus on meeting customer needs and organizational objectives. It is clear that organizations need to adopt a TQM process and the critical success factors if they are to achieve business excellence (Zairi 2002). Over the last decade, a significant number of hospitality companies have embraced the concepts of TQM . As service expectations of customers and potential customers have escalated, hospitality businesses have found the implementation of quality processes to be a vital competitive component. Total quality management (TQM) has been evolving in the hotel sector since quality assurance was introduced in the 1980s (Breiter et al 1995). However, many hotels are still struggling to reach a real understanding of what is meant by total quality management (Breiter et al 1995). Hotels with successful quality assurance systems report improvement in employee satisfaction, customer satisfaction, profit margins and operational costs savings, relative to their counterparts with less successful quality assurance. In today's highly competitive business environment, a company's capability to sustain its competitive advantage is crucial for the continuity of the business (Calingo, 1996). Quality is the most important factor for sustaining the competitive advantage. It is the measurement of how well a company can meet or exceed its customers' requirements and expectations (Oakland, 2003). Competition is extremely high in a free market. Mitchell (n.d.) supports that customer satisfaction is essential in a free market due to the following reasons: The products or services from the service providers are similar; Customers within the market are price-sensitive; Customers have

stronger bargaining power as the cost to switch to another service is considered as low. The hospitality industry has strong market competition; therefore, customer satisfaction and retaining loyalty will be crucial for a hotel’s success. The Total Quality Management (TQM) methodology can help organizations to achieve business excellence by improving customer satisfaction (both internal and external), cost effectiveness and competitive advantage (SME Toolkit, 2011). This methodology is useful for the hospitality industry. In a hotel, any quality problem will induce guest complaints; the impact is direct and immediate without any time delay. Also, a hotel serves human beings and no two people are alike. People have different preferences and requirements which makes it more difficult to control quality in a hotel. For successful TQM practice, organizations have to integrate the quality management into the business strategy and to align the goals both horizontally and vertically throughout the various levels within the organization. In a typical hotel, there are three vertical levels - the senior management level, the business level (middle management) and the functional level (shop floor). Horizontally, there are departments – front office, food and beverage (F&B), housekeeping, sales and marketing, human resources, accounting, engineering and culinary. Nowadays, almost all hotels focus on quality management to improve their business. Oakland (2003) emphasizes that TQM is about teamwork; every functional department must work cohesively together and support each other in order to achieve business excellence. The effectiveness of teamwork determines the success of TQM in each hotel; this is why some hotels have better performance than others. However, the focus of the most recent research on TQM in the hospitality industry is only on the service from front-line departments such as front office and F&B (Saunders et al, 1992; Harrington & Keating, 2006); they ignore the efforts from back-of-house departments.

*A. Need for a Quality System*

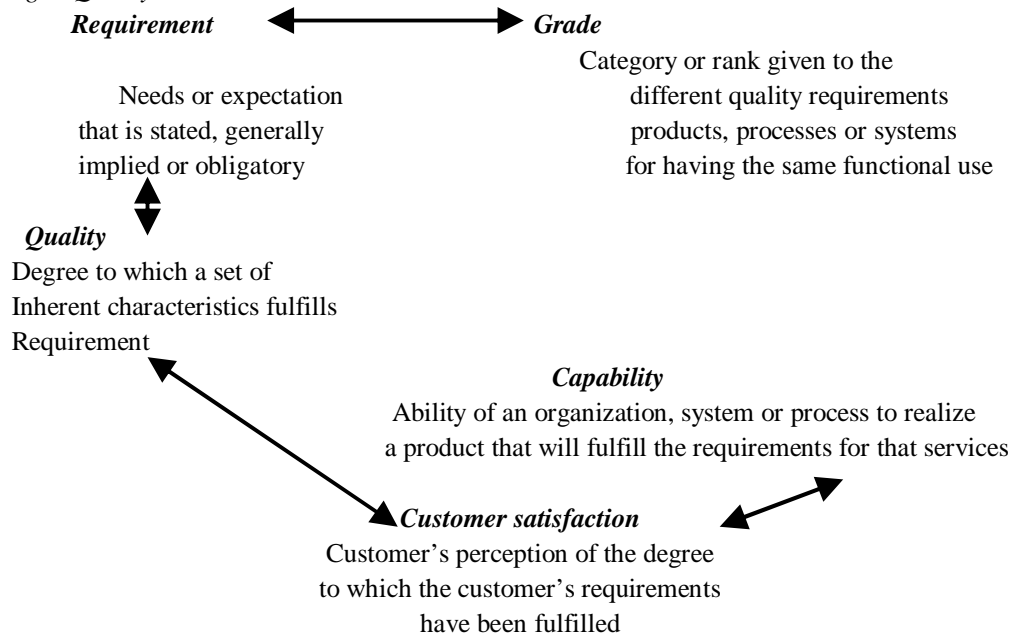
In the present economic scenario, quality is fast becoming one of the key elements of success. In this dynamic and competitive environment, organizations are under tremendous pressure to improve continually their products and processes.

A quality management system approach encourages organizations to carry out the following activities:

- 1) Clear identification of customer requirements
- 2) Identification and determination of the processes that contribute to the achievement of the acceptable products
- 3) Operation and control of these processes
- 4) Ensuring availability of resources
- 5) Monitoring, measurement and analysis of these processes
- 6) Implementation of actions to achieve planned results and continual improvement of these processes

A quality management system can provide the framework for continual improvement to increase the probability of enhancing customer satisfaction and the satisfaction of other interested parties. It also provides confidence to the organization as well as to its customers that it is able to provide products that consistently fulfill requirements.

*B. Concept relating to Quality*



### C. TQM and Service Quality

Total quality management (TQM) is an approach to management that focuses on quality as the key to success. The 'Quality Triangle' summarizes the components of Quality Manager.

- 1) The focus on the customer in defining Quality.
- 2) The importance of teamwork in unifying goals.
- 3) The need for a scientific approach and decisions based on data.

Following the publication of the 'Foley Report' (Report of the Committee of Review of Standards, Accreditation and Quality Control and Assurance, Australian Government Printing Service, 1987), which concluded that "Few, if any issues are more important than quality in meeting the need to improve the competitiveness of Australian Industry". (Foley Report, p.43) there has been heightened interest in Australia in the implementation and effective use of Quality Management. The acceptance of W. Edwards Deming's ideas in Japan, followed by the rapid success of Japanese industry, goes some way to explaining the current interest in TQM in Western countries. Japan has to a great extent replaced the USA in providing models of good management practice. In the immediate post-war period, Japanese management practices were often characterized by Western writers as irrational hangovers from a feudal past (e.g. Abegglen, 1958). Japanese management practices now find a place in the curricula of most management courses. TQM holds a significant place in Japanese management practice and is claimed by its proponents (Deming, 1986 and many others) to be the fundamental reason for Japan's success.

TQM originated in a manufacturing environment and its terminology and techniques have largely been developed in that environment. Its application in a service environment thus requires adaptation of the ideas to a different set of circumstances.

How is service industry different? According to Enrick (1986): Modern methods of quality control were developed and matured in manufacturing industries. These involve the processing and fabrication of materials into finished durable and nondurable goods. Service, however, is a relatively distinct non manufacturing activity.

Work is performed for someone else. The major distinctions between service and manufacturing organizations are that the product:

- 4) Is intangible and ephemeral;
- 5) Is perishable;
- 6) Frequently involves the customer in the delivery of the product;
- 7) Is not perceived as a product by employees.

The intangible nature of the service as a product means that it could be very difficult to place quantifiable terms on the features that contribute to the quality of the product. This could make measurement of the quality of the product a problem for TQM.

As service products are perishable, they cannot be stockpiled and must be produced 'on demand'. The result is that the process for delivering a service may be highly complex involving the co-ordination of primary and support systems in what is usually a very time sensitive relationship with the customer. This is in contrast to manufacturing organizations where although time may be an important aspect in the delivery of the goods it is rarely regarded as a feature of the goods which will affect its quality.

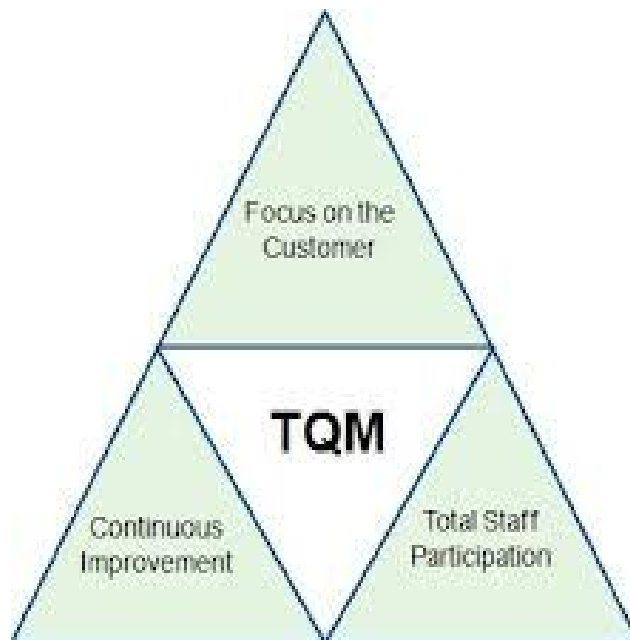
In the case of a service organization time is regarded as an assessable quality or feature of the product. For example people usually book aero plane flights based on the departure and arrival times that are most convenient. If a traveler is expecting to arrive at a destination at a specified time, and the aero plane is 2 hours late the product will most likely have failed to meet the person's satisfaction. This is irrespective of how comfortable the aero plane was, how good the in-flight service was, or the fact that the flight had been made safely.

The customer is frequently directly involved in the delivery of the service and as such introduces an unknown and unpredictable influence on the process. The customer also adds uncertainty to the process because it is often difficult to determine the exact requirements of the customer and what they regard as an acceptable standard of service. This problem is magnified by the fact that, standards are often judgmental, based on personal preferences or even mood, rather than on technical performance that can be measured (King, 1985).

This has the result that while a service completely satisfied a customer yesterday exactly the same service may not do so today because of the mood of the customer. Therefore there is a problem of the fickle customer!

Deming (1986) suggests a further difference: An important difference [between manufacturing and service organisations] is that a production worker in manufacturing not only has a job: he is aware that he is doing his part to make something that somebody will see, feel and use in some way...In contrast, in many service organisations, the people that work there only have a job. They are not aware that they have a product and that this product is service.

In manufacturing industries the product is highly visible and therefore identifiable whereas in service organizations the 'product' is frequently 'invisible' and the customer cannot easily be identified. Often a person in a service industry has no perception of their work being a product and that the way in which his job is performed has an impact on the success of the organization as a whole. How do these differences impact on the implementation of TQM in a service organization?



### Total Quality Management

Looking again at the Quality Triangle, it is clear that the 'Focus on the Customer' is very much a part of the provision of a service. The further development of identifying internal customers and building the concepts of 'Teamwork' is less immediate. The intangible nature of the product may make it harder for each individual to see that they are contributing to a common goal: Whereas a person making a physical object can usually readily identify the next step in the process, and identify their contribution to the final product and its quality, a clerk in the accounts receivable section of a hospital may find it difficult to identify their customers and see how the quality of their work will affect the final product. However, the difference is one of degree and simply requires, as in manufacturing, that each person be made aware of the value of their role in producing a quality product and be allowed to contribute to continuous improvement in the product.

A more fundamental difference lies in the third corner of the triangle: the 'Scientific Method'. This involves the use of measurements and a scientific approach to problem solving in the search for ongoing improvement in quality.

Measuring the length of a steel rod or the weight of a packet of biscuits is a simple matter. It can be carried out on line, or the objects to be measured can be stored for later measurement. If the measurements are taken in a timely manner, any defects can be detected before the shipment leaves the factory, so that the high costs of a failure reaching the customer are avoided. Thus the use of 'Scientific Method' is (relatively) straightforward.

In service provision the situation is very different. The involvement of the customer makes the definition of quality varying from moment to moment. 'Service' cannot be stored, so the measurement must be immediate. Finally, the service is delivered at the moment it is produced. Any measurement taken is thus too late to avoid a failure in contact with the customer.

The emergence of quality as a top priority in many corporate entities is primarily due to the globalization of world trade and the competitive pressure brought about by the escalating demands of consumers, who want better products and services. Since the service quality is very important in surviving and profit making of an organization, it affects in customer's satisfaction and motivation after shopping positively and customer's satisfaction also affects in tendency toward shopping positively. The perception of service quality has been extensively studied during the past three decades. Owing to the intangible, heterogeneous and inseparable nature of services, service quality has been defined as "the consumer's judgment about a product's overall excellence or superiority, or "the consumer's overall impression of the relative inferiority/superiority of the organization and its services".

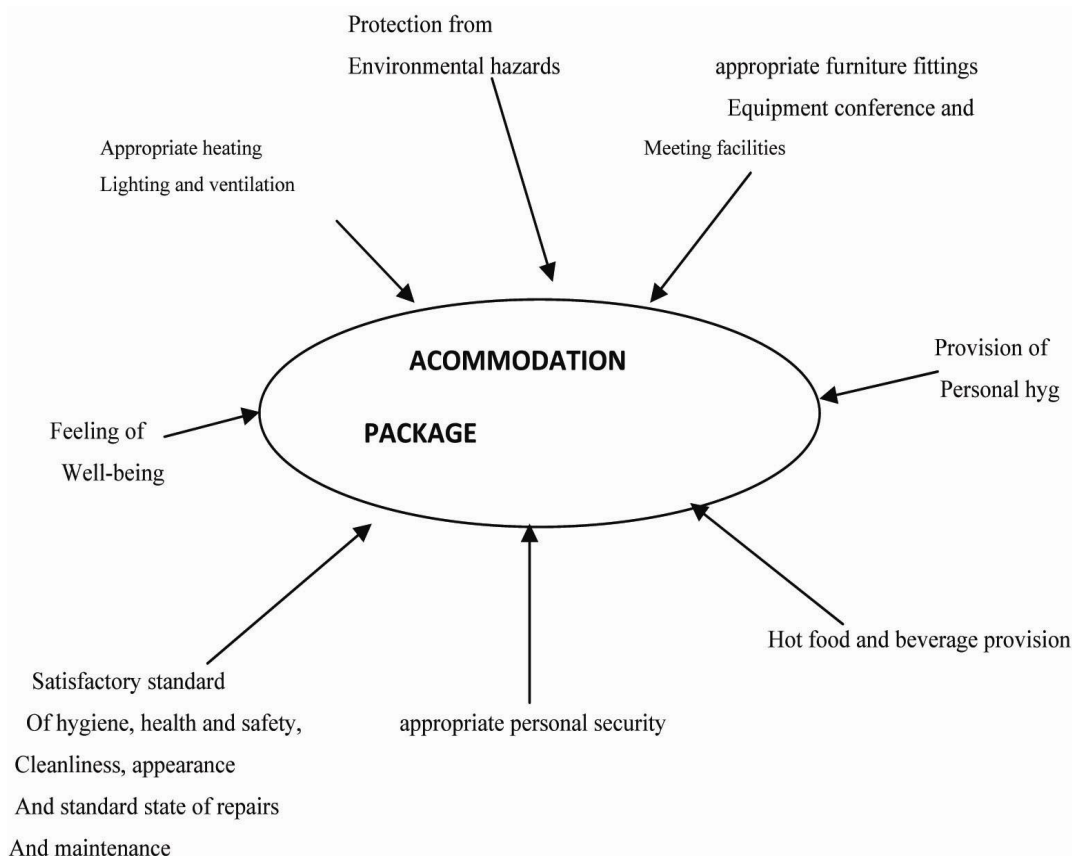
Service quality has been conceptualized as an overall assessment of service by the customers. It is a key decision criterion in service evaluation by the customers. Perceived service quality is believed to be resulting from comparison between customers' prior expectations about the service and their perceptions after actual experience. Besides service outcomes, service quality perceptions also involve evaluation of the service delivery process. Hence, conceptualization of service quality ought to include both the process as well as the service outcomes. A firm's ability to serve the customer needs as well as to maintain its competitive advantage also affects the customer perception of service quality.

**D. Service Quality Dimension**

In their efforts to reach a model of service quality (A. Parasuraman, Zeithaml and Berry, 1985) identified 10 determinants of service quality used by customers to build their own perceptions and expectations, they are: reliability, responsiveness, effectiveness, easiest to get the service, empathy, communication, credibility, assurance, tangibles understanding the customer. Some of these findings are listed in the following table.

**Table 6: Service Quality dimensions as identified by various authors**

	SERVOQUAL (1985)	Reynoso and Moores (1995)	Lings and Brooks (1998)	Brooks et al. (1999)
Service Quality dimension	Tangible Reliability Credibility Security Competence Courtesy Communication Access Understanding the Customer Easiest to get the service	Tangible Reliability Promptness Confidentiality Professionalism Helpfulness Communication Consideration Preparedness	Reliability Responsiveness Credibility Competence Courtesy Communication Access Proactive D/M Attention to detail Understanding the customer	Reliability Responsiveness Credibility Competence Courtesy Communication Access Leadership Attention to detail Understanding the customer



Most processes in a hotel involve multiple departments. To be successful in practicing TQM, organizations have to integrate the quality management into the business strategy and to align the goals horizontally and vertically throughout the various levels within the organization (Oakland, 2003). In a typical hotel, there are three levels vertically - the senior management level, the business level (middle management) and the functional level (shop floor). The senior management level includes owner and his representations and the hotel general manager. The middle management is the department head such as front office manager, accountant, chief engineer...etc, and the shop floor staff is rank and file employees such as receptionists, waiters and technicians...etc. Horizontally, there are departments – front office, food and beverage (F&B), housekeeping, sales and marketing, human resources, accounting, engineering and culinary.

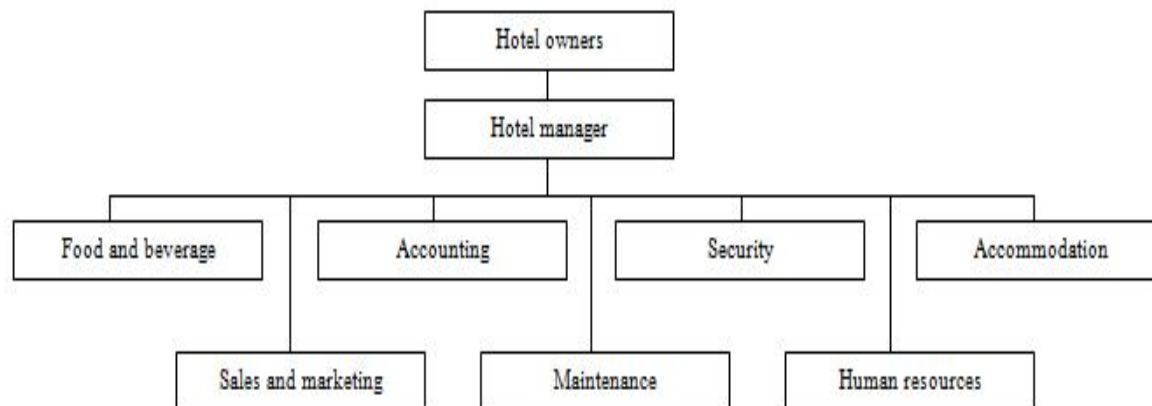


Figure 2.2 – Typical hotel organization chart (Baker, Bradley & Huyton in Fleseriu & Fleseriu, 2010)

TQM is to satisfy the customers’ needs; internally, this can be achieved successfully by executing every process and activity carefully from the first supplier to the last customer; this is the ‘quality chain’. Managing quality requires effort at all levels of the organization and, importantly, at all steps in the quality chain (Oakland, 2003). Meeting the requirement of the internal customers in the ‘quality chain’ is critical in delivering the final product to the final external customer in a hotel.

*E. Quality Methodology and Tools*

To drive quality improvement, use of proper methodologies such as quality frameworks and tools is necessary as they can assist the organization to effectively manage quality (Oakland, 2003).

Quality framework - A quality framework can provide a high-level guideline to assist a company to manage quality. It works as a road-map to guide the employees (Oakland 2003).

Oakland (2003, p21) suggested a TQM framework with four Ps (planning, people, process and performance) and 3Cs (culture, communication and commitment). He suggests that planning, people and process are the key factors in the quality framework to deliver performance (4 Ps); while culture, communication and commitment (3Cs) support and link the 4Ps to produce the result. Therefore, competent people, clear processes, comprehensive plans, and effective tools are essential for managing quality.

EFQM (European Foundation for Quality Management) is a popular quality framework for business excellence in Europe; it guides organizations to self assess nine key areas of the business. The first five aspects are called enablers; they are: leadership, people, policy and strategy, partnership and resources, and result. Another four areas are referred as result; they are: people results, customer results, society results and key performance results. The main advantage of the framework is that it drives for the continuous improvement (EFQM, 2003). Home and Personal Care-Europe (HPCE) has adopted EFQM quality framework for quality improvement. The successful deployment of the framework changed the culture of the company, improved the efficiency of the workforce and increased the business revenue and profit by 20% (Oakland, 2003).

International Organization for Standardization (ISO 2011) indicates that ISO is a standard which is recognized internationally. This framework provides a set of standardized requirements for a quality management system. This accredited certification needs to be certified by external auditor. Currently three types of framework are available; they are ISO 14001(environmental

management system), ISO18001 (workplace safety management system) and ISO 9001(quality management system). The organization claims that these certifications can increase the brand image of the company.

Chan & Ho (2006) advised, in their research about the environment management systems in hotels, that most hotels have had some sort of in-house environment conservation programs with different degrees of intensity; however, proper tools such as ISO 14001 would provide a more effective guideline.

Interestingly, Harrington & Keating (2006) have studied hotels in Ireland. They found out that only 28.2 percent of Irish hotels had adopted a formal quality management system, although most Irish hoteliers indicated that they were familiar with quality certification. However, the research did not provide the reasons for this phenomenon.

#### F. Quality Tools

- 1) *Flowchart* - Reding, Ratiiff & Fullmer (1998) believe that flow charting is one of the useful quality tools. Process mapping and flow charting allow a proper documentation of work processes and provide a clear picture of business process, which allows better understanding of business processes and enables easy identification of inefficiencies and problem solving.
- 2) *Standardised operating procedures* : Harrington & Keating (2006) state that standardised operating procedures is one of the important tools to maintain product consistency. Their research indicated that 77.7% of hotels in Ireland had documented operation policy and procedures. Sohail et al (2007), in their research of Malaysian hotels, supports that the hotel's standard operating procedures should be constantly reviewed to maintain the consistency of quality and efficiency of service. Effective supervision is the answer to ensure that employees are following the procedures.
- 3) *Statistical process control (SPC)* : DACS (n.d.) introduces that SPC is popular in managing the process performance; it can be used to monitor the consistency of processes. For example, upper and lower limits can be set, so that inconsistency can be monitored if the process result exceeds the limits. SPC also make use of the seven tools of quality – check sheet, histogram, Pareto chart, cause and effect diagram, scatter diagram, control chart and graph. DACS (n.d.) recommends that STC is effective for industrial application. This is suitable for electrical and mechanical system performance monitoring in a hotel.
- 4) *Audit* : is one of the effective tools to evaluate the effectiveness of quality management; there are internal and external audits. The assessment allows organizations to view their strengths and to identify areas for improvement (Oakland, 2003).
- 5) *Technology* : IT technology is important in today's business. Griswold (2003) points out that an effective automated work order response system can assist hotels to quickly respond to work request and track the completion status. The system also provides data for management to make decisions for performance improvement; for example, reports can be generated for top incidents, recurring problems and trend analysis. It can help reshape businesses and align organizational structures and processes with industry best-practices.
- 6) *Strategy deployment* : Turing strategy into action is a bottom-up process which requires front line operator involvement, shop floor staff are the owners of each work processes (Campbell, 1995). This is in line with the suggestion from Oakland (2003) that bottom-up approach is effective in executing strategies while a top-down approach is more effective in the policy deployment as instructions are always from the top. Bottom- up process requires motivation so that operations staff will suggest creative and innovative solutions for the implementation of processes.

#### G. Quality in the hospitality industry

Quality is considered to be of very great importance in the hospitality industry. Mill (1986) identifies the aim of service quality as being able to ensure a satisfied customer. However, the focus of quality initiatives has been primarily on selection and training of front line staff (see, for example, Gober & Tannehill, 1984; Mill, 1986; Cathcart 1988). The issues of measurement and process improvement have been largely neglected. The Mayfair Crest Hotel in Brisbane, Queensland, has adopted an approach to service quality which resembles TQM. Kerr et al. (1988) describe this approach. It is based on an overall mission for the hotel: "The Spirit of the Mayfair Crest is Serving You". This mission was cascaded through the hotel by each department and subsequently each employee being asked to define the meaning of this mission in their own context. Thus the overall direction of the staff of the hotel was brought together to develop the teamwork that is vital to TQM. However, the issue of measurement still remained a problem. Only feedback from 'How do you rate us?' forms and indirect measures of employee satisfaction were used to measure their performance. Like all such measures, they are received too late to prevent a problem affecting a customer.



#### H. Internal And External Service Quality Measures

Service quality, which always involves the customer as part of a transaction, will therefore always be a balance: the balance between the expectations that the customer had and their perceptions of the service received. A 'high quality' service is one where the customer's perceptions meet or exceed their expectations.

The components of perceived service quality have been identified (Parasuraman et al., 1986) as:

- 1) *Reliability*: the ability to provide a service as expected by the customer.
- 2) *Assurance*: the degree to which the customer can feel confident that the service will be correctly provided.
- 3) *Tangibles*: the quality of the physical environment and materials used in providing the service.
- 4) *Responsiveness*: the ability of the service provider to respond to the individual needs of a particular customer.
- 5) *Empathy*: the courtesy, understanding and friendliness shown by the service provider.

Note that these are external measures: they can be obtained only after the service is delivered. They thus suffer from the problems noted above for service quality measures: a failure can be detected only when it is too late to respond.

Such measures have great value, but not in the ongoing business of monitoring and improving quality. Rather they can indicate the targets that must be aimed for. They define what the customer is expecting and so what we must aim to deliver. In order to deliver these expectations, we need internal measures: measures that will tell us how we can deliver what the customer expects. More importantly, how we can know before delivery that the service will exceed the customer's expectations?

Zimmerman & Enell (1988) advise that careful consultation with the customer and an appraisal of the performance of competitors is needed in order to create any scales or measurements of quality which they place in a narrowed down framework of four quality standards. The four service quality categories are:

- 7) Timeliness;
- 8) Integrity;
- 9) Predictability;
- 10) Customer satisfaction.

Timeliness of service has been referred to by a number of authors as an important component in the quality of a service. It is a reasonable feature of service to be given high priority because the service has to be produced on demand and the interval in provision is an element of the actual product.

Timeliness may be separated into three types: access time (the time taken to gain attention from the company); queuing time (this can be influenced by the length of the queue, or its integrity); and action time (the time taken to provide the required service). Integrity deals with the completeness of service and must set out what elements are to be included in the service in order for the customer to regard it as a satisfactory product. This standard will set out precisely what features are essential to the service. Predictability refers to the consistency of the service and also the persistence, or the frequency of the demand. "Standards for predictability identify the proper processes and procedures that need to be followed . . . (and) may include standards for availability of people, materials and equipment, and schedules of operation" (Zimmerman & Enell, 1988). Finally customer satisfaction is designed to provide the targets of success, which may be based on relative market position for the provision of a specific service. These are the external measures noted above. Once these service standards have been determined the next step is to develop measurement techniques to monitor how well the standards are being achieved. The measurement step is the second vital component of TQM, without which the supporting philosophies lack coherence. Once measurement methods have been developed and results derived the process being studied can be placed in this measured context and decisions made accordingly. The remaining aspects of TQM present no greater difficulties than in a manufacturing organization.

#### I. Customer Satisfaction

Customer satisfaction is an important topic for both researchers and managers, because a high level of customer satisfaction leads to an increase in repeat patronage among current customers and aids customer recruitment by enhancing an organizations marker reputation. Customer satisfaction brings many benefits. Satisfaction increases customer retention and customer retention is dependent on the substance of the relationship between parties which is also affected by the service delivered.

Satisfaction is an "overall customer attitude towards a service provider", regarding the fulfillment of some need, goal or desire. For most products or services, aspects of performance can be objectively assessed. Although these attributes can be objectively measured, customers' assessments may not objectively reflect measured performance. Some clients may be taken to several homes

that "fit" their criteria but are unsuitable to the clients' personal taste which leads to the client's assessment of the service as being unpleasant because they did not see listings that they liked.

In essence, it is the experience and attitudes of the individuals in closest contact with customers that are most likely to affect whether or not customers are satisfied and willing to return to the company. It is also the people in direct contact with customers who determine who the retained and satisfied customers are, and their experience determines how they treat the customers thus impacting on the service quality delivered.

#### *J. Relationship Between Service Quality And Customer Satisfactions*

It stated that changes in the environment and in the market place have promoted changes in customer behavior and have made it easier for customers to switch and to walk away. If companies fail to treat customer well and give them what they want, they will leave. Customer (or, more correctly, prospective customers) are today faced with an unprecedented range of choices, not only choices of what to buy but where to buy it.

It also stated that the company survives only when it has customers and grows only when it can retain them and recruit new ones and that the company, therefore, should be structured and managed around the customer. Customers go back again and again to those companies and brands that feel special to them and that make them feel special. It is said that organizations who lose customers are spending more than they need. They are wasting valuable assets.

So that, author like (Zeithaml and Bitner, 2003) stated that many organizations jumped on the service bandwagon during the 1980s and early 1990s, investing in service initiatives and promoting service quality to differentiate themselves and create a sustainable competitive advantage. Many of these investments were based on faith and intuition by managers who believed in serving customers well and who believed that quality service made good business sense. Since, the mid-1990s, organizations began to demand hard evidence of the bottom-line effectiveness of their service strategies (Zeithaml and Bitner, 2003).

It also said that competing organizations in the 1980s provided the same types of service, but they did not provide the same quality of service. Thus, service quality became the great differentiator, the most powerful weapon of service organizations.

During the 1980s, the focus was mainly on customer satisfaction. An entire debate stemmed from the differences in service quality and customer satisfaction and the causal relationship between them. Satisfaction studies attempted to measure expectations at the same time as perceptions.

Frederick Reichheld acknowledged that even satisfied customers would leave if a better offer comes along. He showed in his research that between 65 and 85 percent of customers who switched suppliers were satisfied or very satisfied prior to their departure. His conclusion: "current satisfaction measurement systems are simply not designed to provide insight into how many customers stay loyal to the company and for how long".

Therefore, over the past few years, there has been an increasing trend towards creating "experiences" for customers, particularly for those in the services sector. Because of this trend, authors the opinion that the service economy has been transformed into an attention economy, an entertainment economy, a dream society, an emotion economy or an experience economy.

Especially today, customers already assume that businesses offer quality products and good service. These expectations are not customer benefits. (Danielle Mai, 2007). Such expectations don't become important until they have been exceeded or dashed.

It is virtually impossible for a company to survive today if its products (or services) are inferior. Nevertheless, companies should not forget that satisfaction with functional aspects of product and service is sufficient to drive retention.

Then, organizations compete best when they combine functional and emotional benefits in their offerings. Emotional bonds between organizations and customers are difficult for competitors to sever.

Therefore, it is more and more important for each firm to build genuine customer relationship and retain loyal customers who will bring long-term profit and create competitive advantage for firms.

#### *K. Case study*

The concepts developed above were implemented in a study of processes at the Sheraton Brisbane Hotel and Towers. Sheraton have implemented for some years the Sheraton Guest Satisfaction Scheme which has focused the attention of Sheraton staff on the importance of service quality. However, prior to the study they had made limited use of internal quality measurement and the main aim of the project was to develop such measures for some of the processes within the hotel.

The processes chosen for study were identified at a meeting with the hotel's Executive Committee. They were chosen to be of interest to the Committee and also to be likely to give reasonable results in the time available for the study.

L. The processes chosen were

- 1) The reservation process, from the time a guest makes a booking until they arrive at their room.
- 2) The function process, from the time the organizers book the function room to the completion of the function.

M. The first step in studying the process was the preparation of detailed flow charts of the processes.

- 1) Meetings were held with the managers of divisions directly involved in the processes. This ensured that these key managers understood the aims of the project and would give their support.
- 2) Interviews were conducted with staff at all stages of each process to identify:
  - a) their roles and activities;
  - b) other staff with whom they interacted;
  - c) their sources of information;
  - d) their customers.
- 3) Sections of the processes were observed in action to ensure that the information gained in the interviews was correctly understood.
- 4) Flowcharts were drawn up: where necessary, additional information was obtained to allow them to be completed. These were then checked with staff involved in the processes.

Having thus clearly defined the steps involved in these processes, measurement points were identified that would allow assessment of timeliness, integrity, predictability and satisfaction. Some of the measures that were identified are shown in Table 1. A number of these were studied. Here we shall concentrate on three of them: The Towers part of the Sheraton Brisbane Hotel and Towers offers a very high standard of accommodation and service. In order to speed check-in for Towers' guests, a separate check-in desk had been established on the 27th floor. However, the Hotel's management were concerned that too many Towers' guests were unaware of this and were waiting in line at the Front Desk before being redirected to the 27th floor. In an attempt to rectify this a sign indicating the separate Towers' reception area had recently been placed in the Lobby, however management had no information regarding the effectiveness of the sign in providing directions to the Towers' guests. The aim of this study was therefore to determine how Towers' guests knew that check-in was on the 27th floor.

N. In order to collect the necessary data a study was constructed that involved three different measurements:

- 1) A study of the process of the arrival of Towers' guests;
- 2) A measure of the number of Towers' guests approaching Hotel reception;
- 3) An informal questioning of the Towers' guests on their arrival at Towers' reception regarding how they were aware that reception was separate from the Hotel reception and where it was.

The process study indicated that once the guest is at the Hotel it is possible for them to gain information about the Towers' check-in from three sources: the Doorman or Bellman; the Front Desk; or the Towers' direction sign in the Lobby. It is important to know this when constructing a measurement such as a record sheet for use in the Towers' reception relating to how the guest knew where the Towers' reception was.

The objective of the study was to determine how guests knew how to locate the Towers' Reception. From the process study it was possible to isolate the Front Desk and the Towers' Reception as the two points of the guests' journey where it would be possible to gather useful data. So it was decided to take measurements at both of these points.

Data from the Front Desk was collected on a form and the Front Desk staffs were asked to mark the appropriate box for each Tower's guest they encountered. At the Towers' Check-in, a similar form was used. These surveys were carried out over a period of 2 weeks and the results collated. The results of the Front Desk Survey were as follows:

Type of enquiry	Number	Percentage
Asked to check in, did not mention Towers	58	81
Asked to check in to Towers	8	11
Asked for directions to Towers' reception	3	4
Checked-in--Towers reception closed	2	3
Total	71	100

Those who checked in at the Towers gave the following sources of information for the location of Towers' reception:

Response	Number	Percentage
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Stayed in Towers before	32	47
Went to Front Desk	31	46
Other	5	7
Total	68	100

A total of 38% of guests had seen the sign in the lobby, but none gave this as the source of their information. None had received information from a travel agent or other external source.

The study thus clearly indicated a need for better communication with new Towers' guests about the location of the Towers' check-in.

#### *N. The luggage Survey*

The objective of this measurement was to determine the time delay if any between the guest's arrival in the room and the delivery of the luggage to the room. This is of interest to the Hotel because they have a policy that an individual checking in to a room should have their luggage delivered no longer than 10 minutes after they arrive in their room. The measurement was selected primarily so that the Executive Committee could have some definite figures on the delivery of luggage rather than depending on their 'feelings' about what was occurring with the timeliness of luggage delivery. A number of possible methodologies of measuring this were discussed and the alternatives will be mentioned later. The approach decided upon to measure the timeliness of luggage delivery was to involve the guest in recording what time he reached the room and the time the luggage was delivered. A guest questionnaire card was designed to be handed out to guests. The card asked the guest to record the time of arrival in the room and the time of luggage delivery. The completed card was then to be given to the bellman delivering the luggage or returned to the Front Desk at a convenient time.

In order to maintain a check on how many cards were handed out to guests each day a colour coding system was used. Each day corresponded to a particular colour, and coloured dots were placed on the back of the cards. A count of the cards at the beginning and the end of the days indicated how many cards were given out for that period. As cards were returned it would be possible to note the day they had been handed out so that a control could be maintained on the return of cards.

This provided information on how many guests were given the cards but also made it possible to monitor what proportion of those handed out were returned. Had the result been that a large percentage of the cards were not being returned, it would be necessary to seek explanations for this.

The results obtained were of value less in determining the distribution of delays to luggage than in giving a clearer picture of the process of luggage delivery.

Only 16 cards were handed out over the 10 day period. Of these 16 guests, 10 experienced no delay and the longest delay was 8 minutes. This is however a very small percentage of the total number of guests who checked into the Hotel. In fact, the vast majority were businessmen or women who brought very little luggage with them and carried it themselves. In addition, since the Hotel was running close to 100% capacity, guests often arrived before their room was ready and left their luggage for later delivery. It would then generally reach the room before them and they would experience no delay. The only conclusion that can be drawn is that, by Sheraton's standard for delivery, there is no evidence of a problem in the time taken to delivery luggage to rooms.

#### *O. The Event Order*

The Event Order is a form containing full details of customer requirements for a function. It performs a vital role in the provision of information to the operational areas in the function area. The aim of this study was to determine how effectively the Event Order conveyed information to the users of the form. As the objective was to see how well the Event Order was meeting the needs of the people using it, the measurement had to gather information from the internal customers of the form. The Event Order is produced by the Catering Office Staff after consultation with the clients. It contains information relating to the details of the function, specifying details such as the number of guests, the time of the function, the menu and its costing, the method of payment, and any other special requirements of the function.

The Event Order is distributed to a large number of sections of the hotel ranging from the General Manager' to public relations, the kitchens and house keeping. However, not all of the recipients require the Event Order to provide information for the completion of their primary activities. Therefore the study was narrowed down to apply to those sections of the organization who had a strong dependence on the Event Order. The group to be used in the study was determined in consultation with the Food and Beverage

Manager and the Catering Manager. The purpose of this measurement was to ask the 'customers' to record occasions where the Event Order had not provided the required information for them to satisfactorily perform their job. This lack of information may have been in the form of incorrect information; unclear information which required validation; or insufficient information leading the individual to seek more details. In addition to filling out the Record Sheets, the staff were asked to attach these to the relevant Event Order, and to also return all Event Orders, regardless of whether there had been a problem with it or not. The aim of this was that it could be easily recognized when there had not been a problem with the Event Order. Meetings were held with all those who would be involved in the study and it was agreed to trial the procedure for a period of four weeks. Over the 4 week measurement period, a total of 27 Record Sheets were completed and submitted. Not all of the people submitted all of the Event Orders they had received, however there were approximately 150 Event Orders distributed to each department during this period. Six of the 27 Record Sheets made comments relating to the set up of rooms (the furniture requirements and their arrangement in the room): the amount of information provided with regard to this; how accurately the instructions reflected the needs of the client; and whether the prescribed set up was appropriate for the room being used. There were two occasions where there was an error with the name of the function. In one case the function name was incorrect and in the other it was not actually provided. Again this was not a problem with the design of the Event Order but rather an error in completing the information on it. The Banquet Kitchen did not report any problems as a result of the information contained on the Event Order. However the Banquet Chef did note that there were problems experienced quite often, but that they were not directly related to the Event Order form. The most interesting consequence of the study was the effect of the recording on the Catering Office staff who are responsible for completing the Event Orders. Some members of the Catering staff commented that as the Record Sheets were being deposited in their office and could be perused by them, it provided them with a feedback line of communication with the people they gave the Event Orders to. This gave them the opportunity to focus on any problems that the other sections were facing and to take these into consideration. They thus had an increased awareness of some of the problems encountered by the other departments. The Banquet Beverage staff also mentioned that they believed that the sheets provided a useful method of feedback to the Catering Office. This is not to suggest that there is not normally any communication between the departments--they do meet on a regular basis to discuss the forthcoming events and sometimes comment on aspects of the past functions--however often many details are missed on these occasions. The point made was that although in general there is a good flow of information between the different sections, every one is very busy and they simply forget to mention things that could have been valuable had they been passed on to the other department. Therefore the members of the Catering department and the Banquet Beverage section considered the opportunity to gain some feedback as a result of this formal channel to be most useful. This study suggests that the Event Orders are well designed and except for some relatively minor errors in the completion of the forms, they cater well for the needs of their users. It has also shown that the use of rapid written feedback has the potential to further improve the Function process

*P. Case Study some possible measurements:*

	Reservation Process	Function process
Timeliness	Luggage delivery Waiting time	Maintenance to Pre-arranged schedule quick response to enquiries
Integrity	Towers' Check-in Account details	Function plans correspond to customer's perceptions. All necessary information on event order
Predictability	Correctness of information Efficient check-in	Level of service will be repeated other functions
Satisfaction	Reply forms Guest comments	Function questionnaires Guest comments Comments from staff

## II. CONCLUSIONS

The major difficulty for service organizations in implementing TQM is determining measurements that provide quantifiable data. This study has shown how, by focusing on processes and identifying appropriate quality measures, it is possible to obtain such data. Once a service organization identifies measurement techniques they should not experience any difficulties other than those faced in the manufacturing sector. While the techniques described here will require further development and adaptation to different service environments, it is clear that the 'Scientific Method' corner of the Quality Triangle is as applicable to the Hospitality industry as to other industries. This study also confirms that awareness of TQM offers benefits such as cost saving, customer satisfaction, errors reduction and profit enhancement.

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