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QUALITY MANAGEMENT FOR IMPROVED PERFORMANCE IN THE HOSPITALITY INDUSTRY: A CASE STUDY AT PROMISING STARS HOTEL IN KUMASI

LYDIA OSEI

JULY, 2016

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7141180015

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**JULY, 2016**

DECLARATION

CANDIDATE'S DECLARATION

I, LYDIA OSEI declare that this dissertation, with the exception of quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work, and it has not been submitted, either in part or whole, for another degree elsewhere.

SIGNATURE:……………….....................…………….

DATE:……………………….....................……….…….

SUPERVISOR'S DECLARATION

I hereby declare that the preparation and presentation of this dissertation was supervised in accordance with the guidelines for supervision of dissertations as laid down by the University of Education, Winneba.
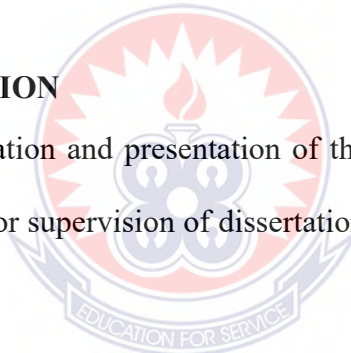
NAME OF SUPERVISOR: PROF. OWUSU MINTAH

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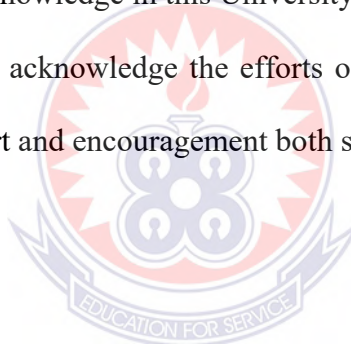DATE:…………………………….....................…….

ACKNOWLEDGEMENTS

DEDICATION

This work is dedicated to my husband Rev. Isaac Osei and my children with love.

ABSTRACT

The quality of service in the hotel industry is an important factor for an organization to remain competitive and profitable. This study set out to investigate how management of Promising Stars Hotel Ltd. located in the Kumasi Metropolis is ensuring efficient and effective quality assurance to provide satisfaction to their customers. The objectives of the research were to establish the quality management practices of Promising Stars Hotel, to find out the extent to which these quality management practices impact on the hotel's performance and to identify the link between quality and customer satisfaction in the hotel. A sample of 60 respondents was selected, 20 from the management and staff of the hotel and 40 customers of the hotel using random and stratified sampling techniques. Data was collected using questionnaire and semi structured interview. The data analysis was done using descriptive statistics such as simple frequencies, means and percentages. The study revealed that the hotel implemented several quality management approaches such as ISO 9000, SERVQual and TQM with TQM being the dominant quality management approach. It was also seen that the adherence to quality management had a positive performance on the hotel's performance with 50% of respondents indicating that the quality management approach adopted by the hotel led to an increased growth rate amongst earning a positive word of mouth from customers and gaining international recognition. It was further revealed that guest satisfaction was impacted in a positive way to a very large extent through the adherence to quality management practices. The research concluded that the long-term benefits of implementing quality management far outweighs the initial high cost of quality making it worth the while for management of hospitality organisations. The study recommended that management should improve the customer-employee relations since it was observed that the relationship was there but not so strong.

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CHAPTER ONE

INTRODUCTION

1.1   Background to the Study

The hospitality industry has experienced continuous expansion over the last three decades to become one of the world's largest industries in terms of creating employment and revenue (Leiper, 2003). At the same time, competition in this industry has become increasingly intensified (Ingram & Daskalakis, 1999; Kandampully & Suhartanto, 2000). The way in which hotels gain a competitive edge falls into two main categories: price based, by establishing low-cost leadership through discounting; and quality based, by providing customers with a unique experience to achieve customer loyalty. Although the former helps increase a hotel's market share in the short term, it may negatively impact on profitability in the long term (Kandampully & Suhartanto, 2000). Many hotels therefore have turned to quality improvement for achieving a competitive advantage in the industry (Ingram & Daskalakis, 1999).
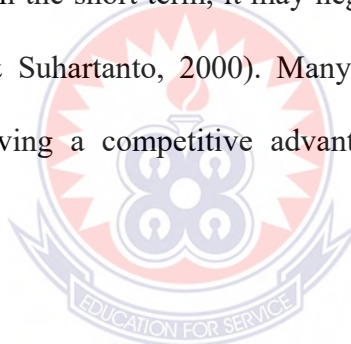
The quality of service in hotel industry is an important factor of successful business. The existing trend of complete quality management in the hotel industry ensures the achievement of competitive advantage over other hotel companies. Service quality, quality management and quality measurement has been the subject of contemporary research into service quality in hotel industry (Gržinić, 2007). Quality management practices are results oriented approaches, dealing with the service characteristics that really matter to end-users. These practices guarantee the customers the high quality of service they can receive during their stay in a hotel and it provides staff with methodology to show commitment to quality service (Reyad, 2005).

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The Standards Council of Canada defines a quality management system (QMS) as a system that defines and establishes an organization's quality policy and objectives. It allows an organization to document and implement the procedures needed to attain these goals. Quality Management practices such as Total Quality Management, Standardization of processes, The Six Sigma techniques, Lean Operations and Continuous process improvement ensure that procedures are carried out consistently, that problems can be identified and resolved and that the organization can continuously review and improve its products and services. These practices act as mechanisms for maintaining and improving the quality of products or services so that they consistently meet or exceed the customer's implied or stated needs and fulfil their quality objectives. They enable organizations achieve the goals and objectives set out in its policy and strategy, provide consistency and satisfaction in terms of methods, materials, equipment, etc. The quality management practices interact with all activities of the organization, beginning with the identification of customer requirements and ending with their satisfaction, at every transaction interface (Gržinić, 2007).

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 approaches between the contemporary innovations such as ISO 9000 standards to achieve business excellence. In the last two decades a large number of organizations working among product and service industries had realized the overwhelming importance of adopting and implementing TQM process in order to maintain a sustainable competitive advantage in a rapid changing environment.

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Implementing TQM is an important process for improving organisational efficiency within businesses (Yusof & Aspinwall, 2000). TQM appears to have been a universal remedy for solving organisational problems and improving organisational performance (Joiner, 2007). All organisations, private and public, manufacturing and service, are implementing TQM or are planning to implement it (Ho *et al*., 1999). TQM has been evolving in the hotel business since It was introduced in 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 managers are not able to reach the right TQM critical success factors mix that might have a direct and positive impact on the hotels performance to reach their own financial and market objectives, and to solve the accumulated and repeated complaints by both clients and employees.

1.2   Statement of the Problem

The hospitality industry is acquiring an increasingly important position in the global economy as a result of globalization of tourism. An ever increasing number of destinations worldwide have opened up and invested in tourism, turning tourism into a key driver of socio-economic progress through export, the creation of jobs and enterprises, and infrastructure development. As a globalised sector, inter-destination competition is very high and this phenomenon is caused amongst other things by the fact that hospitality enterprises among now find themselves in a better position to compete internationally. This in turn results in increased international competition not only between destinations but also between hotel establishments. The implication of globalization coupled with the rapid development of new technology is that today's tourists are able to compare a variety of destinations before making choice. Studies that have looked at TQM practices in the hospitality industry consistently report major difficulties for service organizations, especially hospitality companies in implementing Total Quality Management practices. In light of the above, the researcher set

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out to investigate how management of Promising Stars Hotel Ltd. is ensuring efficient and effective quality assurance to provide satisfaction to their customers.

1.3 Objectives of the Study

The main objective of the study was to ascertain the quality management practices that are used in the hospitality sector by management of hospitality establishments to achieve overall customer satisfaction and retention. The study was focused on the Promising stars hotel in the Kumasi Metropolis. Specifically, the study sought to achieve the following objectives:

1. To establish the quality management practices adopted by Promising Stars Hotel and the hospitality sector in Ghana.

2. To find out the extent to which the quality management practices adopted by Promising Stars hotel impacts on their performance.

3. To identify the link between quality and customer satisfaction among customers of Promising Stars Hotel Ltd.
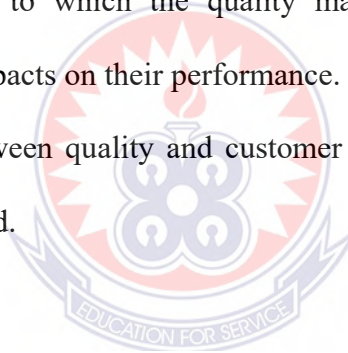
1.4 Research Questions

To guide the study to the achievement of its set objectives, the following research questions were formulated:

1. What are the quality management practices adopted by management and staff of Promising stars hotel?

2. To what extent does the quality management practices adopted by Promising stars hotel impact the performance of the hotel?

3. What is the impact of quality management on the customer satisfaction levels among customers of Promising stars hotel Ltd.?

1.5 Significance of the Study

Quality assurance in the hospitality business is relevant to all stakeholders. Since tourism and hospitality has emerged as one of the major drivers of the economy, this study will be important to various stakeholders in the hospitality and tourism industry specifically, educationists, academicians, entrepreneurs and investors. The study will be of great value to the investors in the industry because it will help them understand what matters to the customers so as to strategically position them in the competitive business environment. The academic fraternity will find the study important in highlighting the quality management practices adopted in the hospitality industry in Ghana and in effect open up research and study opportunities in areas not adequately covered by the study.

1.6 Limitations of the Study

A number of challenges were encountered during the data collection for the study which had the potential of affecting the validity of the research findings. Some of the respondents in management positions were a bit reluctant to provide certain kinds of information based on their own personal reasons. The researcher had to reassure them of the purpose of the study and that the data would not be reported in any way that will reveal their identity. With the reassurance, the respondents were at ease and provided all the information that were needed. There was also the problem of combining work, family and social activities with the research work. Despite the above constraints, the researcher ensured that the needed data was obtained.

1.7 Scope of the Study

The study was restricted in scope to cover quality management practices that lead to improved performance in the hospitality industry. Essentially, the critical success factors in

quality management that influence the retention rates of customers in the hospitality industry were the focal point of this study. The study covered only one hotel in the Kumasi Metropolis of the Ashanti Region thus Promising Stars Hotel. The selection of the area was due to proximity and the fact that conditions there are typical to other regions where hotels can be located in the country, and that the findings and the contributions can be extended to the national level.

1.8   Organisation of the Study

This research paper is organized into chapters, with the chapters being organized as below: Chapter one focused on the introductory aspects of the research topic, it gave a general introduction to the research. This chapter is made up of the following, the background of the study, the statement of the problem, purpose of the study, the objectives of the study, the significance of the study, the research questions, the scope of the study, and the limitation of the study. Chapter Two which presents the literature review dwells on the related literature on the topic: Quality assurance in the hospitality business. The researcher considered theoretical literature available on the subject matter. Chapter Three deals with methodology of the research. That is the research design and approach the researcher adopted in carrying out the research. This chapter includes the sources of the data, primary and or secondary, the sampling techniques used and the reasons for employing such techniques. Chapter Four is concerned with the discussion of data, analysis of data and the interpretation of the data collected. That is, how the data was processed, presented, arranged etc. to bring out the meaning in them so to help achieve the objectives of the study. The chapter is made of absolute figures, bar charts and pie charts in analysing the data collected. Chapter Five presents the findings, Summaries, Suggestions, Conclusion and Recommendations. This chapter deals with presentation of findings, making conclusions from the findings of the

study and its implication. In addition, it considers recommendations and suggestions based on the findings of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1   Introduction

Total Quality Management has been recognised as a major edge for competitiveness and long term profitability (Isakssan, 2004). This is an art of management that originated in the Japanese industry and has become steadily more popular in the west since 1980's (Clark, 1996). Since the 1980's, the leading companies around the world have scrambled to adopt the Japanese business model based on quality management. During the same period, most of the research writings were focused on understanding the impact of quality as a competitive tool (Garvin, 1988). This chapter reviews relevant literature in TQM under the following thematic areas; concept of quality management, quality management in the hospitality service sector, critical success factors in quality management, measurement of quality and customer satisfaction.
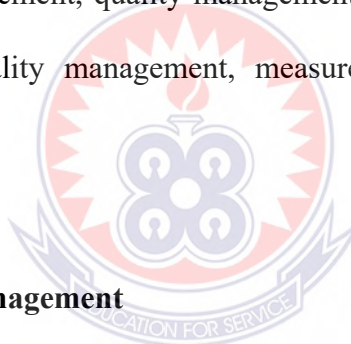
2.2   Concept of Quality Management

Over the last decade, a significant number of hospitality companies have embraced the concepts of Quality Management (Cannon, 2002). As service expectation of customers and potential customers have escalated, hospitality businesses have found the implementation of quality processes to be a vital competitive component (Cannon, 2002). TQM has been evolving in the hotel business since it was introduced in 1980s. However, many hotels are still struggling to reach a real understanding of what is meant by total quality management (Breiter, *et al.,* 1995).

Quality is by no means a new concept in modern business. Isakssan, (2004) describes quality as the degree to which a set of inherent characteristics fulfils requirements. It is about

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meeting and exceeding both external and internal customer expectations. Today, there are many definitions of TQM given by researchers. It is difficult to introduce a single universal definition of TQM (Lau and Anderson, 1998). However, all quality researchers provide their own definitions, and therefore there is no universal agreement about the definition of TQM (Martinez-Lorente *et al.,* 1998; Sila and Ebrahimpour, 2003; Boon *et al.*, 2007). Consequently, TQM means different things to different people (Eriksson and Hansson, 2003). Boon, *et al.,* (2007) suggest that it refers to any planned activity towards providing consumers with products (goods and services) of appropriate quality-along with the confidence that the products meet consumers' requirements.

To Kaynak (2003), Total Quality Management (TQM) refers to management methods used to enhance quality and productivity in organizations, particularly businesses. He further explained that TQM is a comprehensive system approach that works horizontally across an organization, involving all departments and employees and extending backward and forward to include both suppliers and clients/customers. TQM provides a framework for implementing effective quality and productivity initiatives that can increase the profitability and competitiveness of organizations.

Berry (1991) also defined TQM as a total corporate focus on meeting and exceeding customers' expectations and significantly reducing costs resulting from poor quality by adopting a new management system and corporate culture. Kanji (2002) defined TQM as a management philosophy that fosters an organisational culture committed to customer satisfaction through continuous improvement. A similar definition was provided by Antony *et al.* (2002), who regarded TQM as "an integrative management philosophy aimed at continuously improving the performance of products, processes and services to achieve and

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exceed customer expectations". Based on reviewing the previous definitions of TQM, this study can define TQM as "*A management philosophy which involves a set of principles, techniques, and tools that are used for continuously improving the quality of processes, products, services and people by involving all employees to achieve superior customer satisfaction*". Generally, most of the definitions of TQM are focused on TQM as a philosophy of management that fosters an organisational culture committed to customer satisfaction through continuous improvement.

A quality system (QS) is a collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction. It is expressed as the organizational structure, policies, procedures, processes and resources needed to implement quality management.

2.3   Brief History of Total Quality Management

In the early 1920s, the origin of the TQM movement started when Shewhart introduced the concept of Statistical Process Control (SPC) to monitor quality in mass production manufacturing for the first time (Shewhart, 1931). This was followed by the application of Statistical Control (SC) methods at the Bell Telephone Company in 1926. Quality Control (QC) was started in Japan in 1949 when the Union of Japanese Scientists and Engineers (JUSE) invited a group of specialists to provide a programme for promoting quality control in Japanese organisations (Lakhe & Mohanty, 1994). In 1950, Deming introduced a comprehensive management system "Japanese-Style Management Model". Feigenbaum, who worked with the Japanese like Deming and Juran, in 1961 introduced Total Quality Control (TQC), as the forerunner of TQM as known today (Omachonu and Ross, 1995; Martinez-Lorente *et al*., 1998). However, many of the dimensions that have formed TQM were developed earlier during the 1950s to 1970s (Martinez-Lorente *et al.*, 1998; Lau and

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Anderson, 1998). Later, in 1985, the TQM term appeared for the first time when the Naval Air Systems Command named its Japanese-style management approach as TQM.

In the hotel industry, TQM was first used when Quality Assurance (QA) was introduced in the 1980s (Hall, 1990). Specifically, the implementation of quality management in the hospitality industry started from1982 when the American hospitality industry implemented QA Systems and achieved excellence outcomes (Walker & Salameh, 1990). Quality has a great importance in the hospitality industry (Saunders & Graham, 1992). In the last decade, many hospitality organisations have shown more interest in the concept of TQM. As expectations of customers and potential customers have escalated, hospitality organisations have found the implementation of quality to be an important competitive component in the global market (Cannon, 2002).

2.4   Quality Management Practices in the Hospitality Sector

In the preceding decades, the hospitality and tourism industry has become one of the most important monetary industries. This very important industry has many infrastructures and service institutions in its category, in which, among the most important infrastructures, the hospitality industry can be named out. The term hospitality has recently become popular as an all – embracing nomenclature for a large grouping of organizations including hotels (Mullins, 2001). The industry existed to serve travellers with the provision of food, drink and shelter away from home (Knowles *et al,* 2004). The hospitality industry is also labor intensive as it employs more people per pound than any other industry (Lawn, 2003).

There are many types of businesses involved in the hospitality industry, the hotel sector is a vital part of the hospitality industry (Baker *et al*, 2000). The most challenging business in the hospitality industry is the hotel business, this is because hotels offer more than one product to

its guests and customers, such as accommodation and food service. This means that managing quality in hotels is more challenging to hotel managers and staff than it is in any other hospitality business (Stills & Wortman, 2006). The operations involved in the accommodation sector in hotels include reservation, reception, housekeeping, dining and concierge (Janes, 2002). While inside the food service sector, there are three systems operating, the first system is food production, the second system is the delivery or service sequence, the third system is customer management (Cousins, *et al.*, 2002).

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 for the hospitality sector has been primarily on selection and training of front line staff (Mill, 1986; Cathcart 2008). The issues of measurement and process improvement have been largely neglected. In recent decades, three main approaches to quality management have been the focus of research and application. The ISO 9000 standard introduced by the International Standards Organisation in 1987 focuses on business processes rather than outcomes.

The ISO 9000 quality standard has not been popular, particularly among hotels, because it requires formal procedures to be developed for the implementation and control of all aspects of business operations (Ingram & Daskalakis, 1999). In the UK, the BS 5750 is an alternative to ISO 9000 with some hotel subscriptions (Callan, 1992). SERVQUAL is perhaps the most popular approach used for measuring service quality and has been developed from the expectancy disconfirmation theory. SERVQUAL views service quality as the outcome of customer comparison between expectations and perceived service in five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. It helps identify sources of

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quality deficiency, and subsequent strategies for quality improvement (Parasuraman, Zeithaml, & Berry, 1985; Zeithaml, Parasuraman, & Berry, 1990). However, understanding customer expectations has been shown to be problematic; customers either do not know what they want or do not give a clear indication of what they want (Lim & Tang, 2000).

Another group of studies has focused on the application of total quality management (TQM). This approach emphasizes not only the quality management system itself as in ISO 9000, but also includes supporting systems such as strategic planning systems, information systems, and operational systems (Cathcart, 2008). The relevance of such a holistic approach is apparent for hotels, because hotel patrons judge service quality of accommodation and food and beverage outlets as an overall experience, rather than the aggregation of individual service elements (Wilkins, Merrilees, & Herington, 2007). While TQM has received increasing emphasis in research studies in a general management context, little has been applied to the tourism and hospitality industry, and in particular, to the hotel sector (Cathcart, 2008).

The hotel industry is distinctly different from other service sectors (e.g., banks and retail shops). Particularly at the upper end of the hotel industry, which has much broader international footprint than other services sectors, major hotel brands and subbrands own properties in locations throughout both the developed and developing countries. Even under the same brand/subbrand, there are several types of operation with differentiated staffing characteristics (i.e., remote island resorts and business hotels in metropolitan areas). The use of management contracts is extensive in this industry, resulting in the separation of ownership from management and operation, which is not commonly seen in other service sectors. Additionally, the hotel industry has features of both a manufacturing and a service industry,

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with the production and consumption processes taking place simultaneously on the same premises. The unique characteristics of the hotel industry imply a high level of sophistication in the operation that may impact on business processes and quality management (Yu, 2008). A study dedicated to the hotel industry is therefore warranted.

2.5   Quality Management and Customer Satisfaction

A firm is said to have competitive advantage if it is able to achieve and maintain profitability rate above the industry average. Prevention of errors and defects saves costs involved in rework hence profitability. Competitiveness is achieved when customers place a higher value on the organizations goods and services relative to the costs and when an organization can achieve lower production costs for each unit than the average in the industry. This is by designing the right product, ensuring consistency and uniformity of products hence greater customer satisfaction (Augs, 2008). The purpose of business is to attract and maintain satisfied and profitable customers. Customers are attracted and retained when their needs are met. Not only do they return to the same hotel but they also talk favorably to others about their satisfaction (Kotler, *et al.,* 2010). A clever and well-executed advertising may attract customers initially, but if the product supplied does not match customer's quality expectations then in all probability the customer will shift to a competitor's product. The application of quality management techniques is generally perceived as a means to increase a company's competitive performance. Companies that are relatively more competitive than their rivals expand their market share because consumers are satisfied with specific characteristics of their products or services (Schuurman, 1997).

Many studies have investigated the notion that QM practices provide an approach to improve the economic position of organizations in manufacturing and also in service sectors.

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Specifically, Powell (1995) suggested that there are significant relationships between QM, competitive advantage, and business performance. In addition, several studies have succeeded in providing evidence that QM has a positive impact on financial performance and/or overall performance (Schaffer & Thompson, 1992; Opara, 1996; Cherkasky, 1992; Arawati & Za'faran, 2000). Astudy by Simmons and White (1999) involving 126 electronics companies concluded that ISO 9000 registered companies are more profitable than non-ISO 9000 companies. Well implemented Quality management practices offer many benefits including improved products and services, reduced costs, more satisfied customer and employees, and improved bottom line financial performance (Powell, 1995) as shown in the Figure 2.1 below;
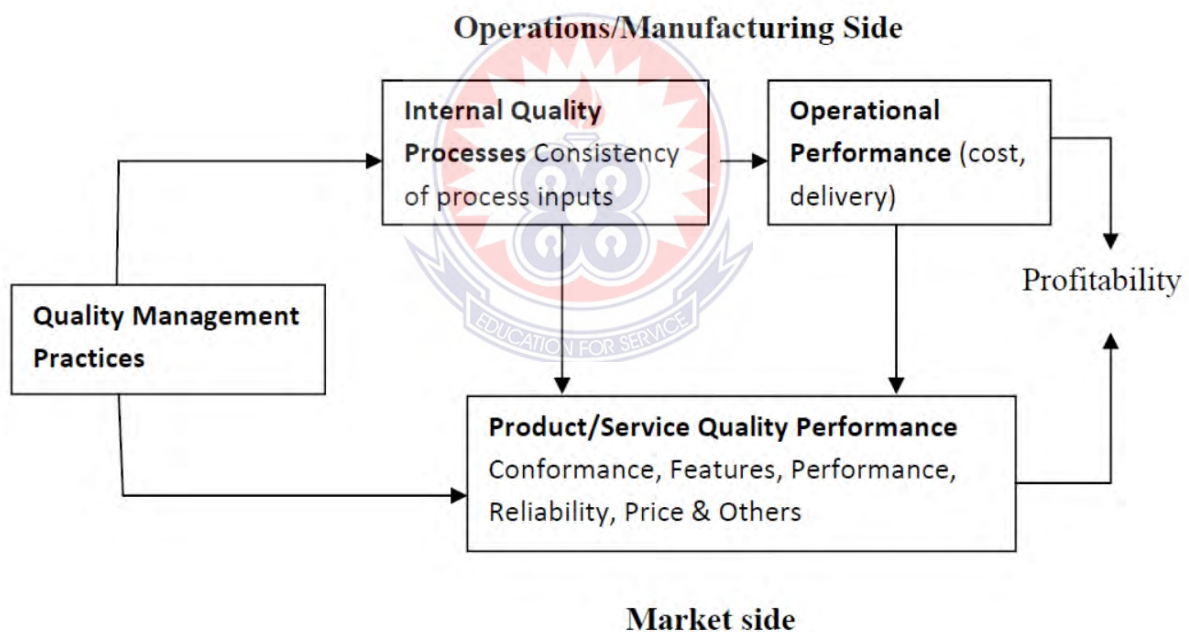
Figure 2.1: Quality – Performance Model

Source: Sousa, R., Voss, C. (2002). *Quality management re-visited: A reflective review and agenda for future research,* Journal of Operations Management, 21(1), 1-18.

The ISO 9000 standards enable suppliers to demonstrate their ability to meet customers' requirements and thereby gain the confidence of the purchaser. The competitive performance of companies in global consumer markets therefore will be determined by their capacity to deal simultaneously with the competition factors of price, quality, delivery time, flexibility and innovation. Total Quality Management practices ensure higher consumer satisfaction, increased personnel participation, increased quality awareness, cost reduction and improved enterprise results. Competitiveness is achieved by applying the concept of continuous improvement to the parameters that determine the competition factors of the company. Therefore, the concepts of consumer satisfaction and continuous improvement are the basis for the following strategies: definition of core competencies and the maximization of capital and labour productivity (efficiency); aiming for zero quality defects in the organizational activities at large (quality); optimization of total lead time (delivery time); organization and control of production inputs and outputs in order to deal with diverse and fluctuating market demand (flexibility); and organization and control of product design and development in order to anticipate and respond in a timely fashion to changing market conditions (Khanfar, 2011).

2.5.1 Customer Satisfaction and Loyalty

Customer satisfaction is considered to be one of the most important outcomes of all marketing activities in a market-oriented firm. The obvious need for satisfying the firm's customer is to expand the business, to gain a higher market share, and to acquire repeat and referral business - all of which lead to improved profitability (Barsky, 1992). The services-marketing literature suggests that satisfied customers purchase more each time they visit and purchase more often. The satisfied customer also refers the business to their family and friends. The link between sales, service, satisfaction, and profits is direct. The more

customers are satisfied, the more they spend (Gerson, 1993). The more customers spend, the more is sold. And usually, when more is sold, profits are greater (Gerson, 1993). In addition, satisfied customers are less likely to seek the lowest prices and the cost of selling to them is much less than the cost of capturing new customers from the competition. Happy customers are the cheapest and most effective form of advertising. Conversely, a disappointed customer not only takes their business elsewhere, but most likely tells several others about the experience too. While it may take many positive encounters to create customer loyalty, it usually takes only two negative encounters to make an enemy for life (Hill & Alexander, 2000). Thus investment in customer satisfaction does bring improvements in profitability.

Moreover, customer satisfaction has been used to refer to the satisfaction with an individual consumption experience or service encounter (Bitner, Booms, & Tetreault, 1990). It has also been described as a summary evaluation of a customer's overall experience with an organization or its products (Cronin & Taylor, 1992). In many customer satisfaction studies, repurchase intention is often included as a consequence of satisfaction (Boulding *et al.,* 1993). Satisfying experiences influence future purchase intention; hence, customer loyalty. Scholars argue that customer loyalty depends critically on the overall level of satisfaction (Anderson & Fornell, 1994).

Although an investigation of overall satisfaction with services provides relevant insight regarding loyalty, even greater knowledge can be obtained by distilling satisfaction into its various dimensions, especially in an industry where switching behaviour and customer loyalty are paramount (Rust and Zahorik, 1993). Indeed, some dimensions of satisfaction may be more important antecedents of repeat-purchase behaviour and loyalty than others are. Common dimensions of satisfaction with service components include: service quality,

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product quality, price, and location. Researchers suggest that the "people factor" (i.e., service quality), in terms of tangibility, reliability, responsiveness, assurance, and empathy (Zeithaml *et al.,* 1994), may be the most silent in determining overall satisfaction and repeated purchasing in service industry (Ganesh *et al,* 2000; Yüksel and Yüksel, 2002).

The argument for the importance of the "people factor" is further supported by the services-marketing literature, which, emphasize the intangibility of services, advances service encounters as predominantly interpersonal interactions (Czepiel, 1990). Consequently, as with other social relationships, the bond between the hotel representative and the guest is more heavily weighed when the guest makes a satisfaction judgment than when the guest makes no such judgment.

Wong, *et al.,* (1999) found that the quality of the relationship between the hotel representative and the guest determines the probability of continued interchange (i.e., loyalty) between those parties in the future. These and other studies seem to suggest that having an interpersonal relationship with someone in the organization can lead a customer to become more committed, or loyal, to that firm. Thus, in this study, we examine not only the effects of overall satisfaction but also the effects on loyalty of both satisfaction with the people factor and satisfaction with hotel ambience.

Customers display varying degrees of loyalty, commitment, or allegiance in various aspects of their daily interactions. Loyalty also occurs in consumption situations, and has received much attention in the marketing literature (Kandampully *et al.,* 2000). Generally, the term, customer loyalty, has been described as occurring when customers: Repeatedly purchase a good service over time, and hold favourable attitudes towards a good service. Customer loyalty consists of three separate dimensions: behavioural, attitudinal, and composite.

Behavioural loyalty considers measurements of consistent, repetitious purchase behaviour as an indicator of loyalty. In particular, it interprets a form of customer behaviour directed towards a particular brand over time (Bowen & Shoemaker, 1998).

Researchers (Ehrenberg, Goodhardt, & Barwise, 1990; Krishnamuthi & Raj, 1991) measured loyalty exclusively on behavioural dimensions. The problem with this type of measurement, as Ahmad and Buttle (2001) pointed out, is that it provides limited understanding of the factors underlying repeat purchase. Another problem with the behavioural approach is that repeat purchases are not always the result of a psychological commitment towards the brand (TePeci, 1999). For example, a traveller may stay at a hotel because it is the most convenient location. When a new hotel opens across the street, they switch because the new hotel offers better value. Thus, repeat purchase does not always mean commitment (Bowen and Chen, 2001).

The attitudinal measurements of loyalty use attitudinal data to reflect the emotional and psychological attachment inherent in loyalty. The attitudinal measurements are concerned with the sense of loyalty, engagement, and allegiance. There are instances when a customer holds a favourable attitude towards a hotel, but he/she does not stay at the hotel (Toh *et al.,* 1993). Attitudinal dimensions refer to a customer's intention to repurchase and recommend, which are good indicators of a loyal customer (Getty & Thompson, 1994). A guest could hold a hotel in high regard, recommend the hotel to others, but feel the hotel was too expensive for him/her to use on regular basis.

The third approach, composite measurement of loyalty, combines the first two dimensions (behavioural and attitudinal) and measures loyalty by customers' products preferences,

propensity of brand-switching, frequency of purchase, and total amount of purchase (Pritchard & Howard, 1997; Hunter, 1998; Wong *at al.,* 1999). The use of both attitude and behaviour in loyalty definition substantially increases the predictive power of loyalty hence, composite measurement has been generally acknowledged as a two-dimensional construct that enables researchers to understand customer loyalty in several fields, such as retailing, recreation, upscale hotels, and airlines (Pritchard & Howard, 1997).

Based on the review of loyalty concepts, composite approach to customer loyalty, which includes attitudinal and behavioural aspects, was adopted for this study. Customer loyalty consists of both an attitudinal commitment to the relationship (such as price insensitivity), as well as other, more-overt loyalty behaviour (such as positive word of mouth and repeat patronage) (Oliver, 1999). Therefore, loyal customers or loyal guests are guests who hold favourable attitudes towards the hotel, commit to repurchase the product/service, and recommend the hotel to others. This definition of guest loyalty suggests that the loyal guest is a matter of degree, ranging from the completely loyal to one who never considers using a hotel in the future. According to this definition, an extremely loyal guest would be described as one who: Regularly uses a hotel, really likes the hotel and thinks very highly of it, and does not ever consider using another hotel in this region. Conversely, at the other end of the continuum, an extremely "non-loyal" guest: Does not use the hotel again, has negative feelings towards the hotel, and welcomes suggestions about other hotels and is willing to try any other hotel.

This three-dimensional definition is consistent with Zeithaml, Berry, and Parasuraman (1995) "loyalty to company" factors in their behavioural-intensions battery. In their study, the five items measuring the loyalty factor included: Saying positive things about the company;

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recommending the company to someone who seeks advice; encouraging friends and relatives to do business with the company; considering the company the first choice to buy service; and doing more business with the company in the next five years. Thus, in effect, their measure includes items from all three dimensions of the proposed customer loyalty dimension.

2.6   Critical Success Factors In Quality Management

The critical success factors (CSFs) of TQM can be described as the best practices of TQM implementation (Thiagarajan & Zairi, 1998; Sila, 2005). Specifically, the TQM implementation process stands a good chance of ending in failure if this CSF is not included, and the more critical a quality factor is, the higher the chances of failure if it is not part of TQM (Thiagarajan & Zairi, 1998).

Successful TQM implementation is often linked with the CSFs which are responsible for achieving business excellence (Talib and Rahman, 2010). Thus, it is important to understand TQM practices and its CSFs in order to determine the level of resources and commitment needed for achieving successful implementation (Zairi and Youssef, 1995). The literature identified that the CSFs of TQM range between four and twelve factors (Karuppusami & Gandhinathan, 2006). Saraph *et al.,*'s (1989) empirical study was the first systematic attempt to classify and organise the important critical factors of quality management practice based on literature into eight critical factors, namely, the role of top management leadership, the role of quality department, training, product/service design, supplier quality management, process management, quality data and reporting, and employee relations.

This study considers the CSFs as necessary practices for successful TQM implementation in order to achieve the benefits of TQM in the hotel industry. Thus, reviewing the main

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empirical studies in CSFs of TQM, researchers found that there are 12 key CSFs for the successful implementation of TQM across more than 35 empirical studies conducted in both manufacturing and service organisations, namely: top management commitment (F1), leadership support (F2), the role of quality department (F3), supplier quality management (F4), quality data and reporting (F5), product/service design (F6), employee management (F7), process management (F8), education and training (F9), continuous improvement (F10), customer focus (F11), and quality planning (F12). As a result, the specific CSFs of TQM are not completely agreed among researchers.

There are a limited number of empirically researched studies of TQM in the hotel industry. For example, Breiter and Kline (1995) identified that leadership, customer focus, and vision and values as CSFs of TQM in the hotel industry, followed by training, communications, empowerment, alignment of organisational systems, and implementation. While Sila and Ebrahimpour (2003) examined the Malcolm Baldrige National Quality Award (MBNQA) to investigate TQM practices in US luxury hotels, they found that a major barrier to successful TQM implementation was failure of top management to support a TQM programme. They also revealed that leadership and customer focus are the two main factors most often integrated by hotels into their TQM programmes. Also, Shahbazipour (2007) showed the importance of CSFs of TQM in hotels. The study supported the theory that the CSFs of TQM implementation may have different importance to performance in different hotels, that there may be a different level of relationship between each factor and performance, and the level of CSFs is different from one hotel to another. Mohsen (2009) identified the CSFs relating to the introduction of a TQM culture in five-star hotels, namely staff empowerment, teams, staff suggestion and reward schemes, training, leadership, communication and customer focus.

Overall, TQM has become popular in the hospitality industry, and therefore TQM has become increasingly important for management in hotels due to high global competition. However, hotels can be classified into groups based on the level of TQM implementation. For example, Tari et al. (2010) classified hotels into three clusters based on commitment to QM, namely, QM proactive hotels, QM committed hotels, and QM reactive hotels. They also argued that QM proactive hotels had a higher star rating, and were more likely to be chain-affiliated, have more rooms and facilities, and more resources. Although TQM has become more important in the hotel industry, and the implementation of TQM has had positive effects on hotel performance. The researchers concluded that few studies have been conducted to investigate the implementation of TQM in the hotel industry. Accordingly, more research is needed to fill this gap in the literature on the hotel industry.

2.7   Measurement of Quality Management in the hotel sector

The quality of service in hotel industry is an important factor of successful business. The existing trend of complete quality management in hotel industry ensures the achievement of competitive advantage of hotel companies and is therefore the subject of contemporary research into service quality in hotel industry. The concept and the conceptual model of service quality is indispensable if we wish to understand the genesis of service quality and potential gaps in quality.

Benefits arising from a high quality are reflected in a more competitive positioning on the market, but also in a better business result. This statement can be proved by measuring the increase of profitability and market share. The results of a research carried out in the USA on a sample of 2600 companies in the period between 1987 and 2002, show a direct connection between the level of quality of goods and services and their financial performances (Talib and

Rahman, 2010). As a matter of fact, it was observed that all indicators of success of a company, like market share, return on investments, property turnover coefficient show significantly more value in companies with a higher level of goods and services.

The efficiency of the whole system is possible only if we monitor and analyze the demands of the customers, as well as define and control the process and implement constant improvements. Quality is a complex term, made up of several elements and criteria. All quality elements or criteria are equally important in order to obtain one hundred percent quality. If only one element of quality is missing, the complete quality of product or service is impossible to obtain. Besides the mentioned general elements of quality, the product or service have to satisfy specific elements of quality, according to the demands of the profession in their pertaining activity. Today quality is the result of growing and increasingly diverse needs of the consumers, along with a highly increasing competition, market globalization and the development of modern technology (Harrington and Akehurst, 1996).

Problems in service quality measurement arise from a lack of clear and measurable parameters for the determination of quality. It is not the case with product quality since products have specific and measurable indicators like durability, number of defective products and similar, which make it relatively easy to determine the level of quality (Holjevac, 2002).The most important characteristics of services, separating them neatly from products, are the impossibility to separate production from consumption; the impossibility to store services; their non-material quality; transience and heterogeneity. Presented below in Table 2.1 is the general elements or dimensions that describe the quality of a product or service.

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Table 2.1:   General elements of product and service quality

Dimension	Definition
Availability	Product or service is easily available
Guarantee	The personnel is polite, kind and educated
Communication	Clients receive information on all products and services and their changes in the language they can understand
Expertise	The personnel has the necessary knowledge and skills to produce and sell products or provide services
Standard	Products and services are up to the standard
Behaviour	Kindness, good manners and care of the personnel towards clients
Flaw	Each quality that is not defined and affects the satisfaction of the client
Duration	Performance, service result or product last longer
Engagement	The personnel shows understanding and gives individual attention to each client
Humanity	Product or services are provided so as to preserve dignity and self-respect of the client
Effects	Product or services produces the expected effect
Reliability	Capability to sell products or provide services in a discrete and reliable manner
Responsibility	Definite duration of product sale or providing of services
Safety	Product or services are provided in the safest way possible, without any kind of risk or danger to the client

Source: Holjevac (2002).

The impossibility to separate production from consumption and the impossibility to store services implicitly includes a simultaneous production and consumption, which is characteristic for most services. Since the services are performances, ideas or concepts rather than objects, they cannot be seen in the same way as products and are, therefore, characterized by their being immaterial. Furthermore, it is impossible to preserve services, which raises the issue of harmonizing offer and demand for services. The same service can be

provided by different persons in an institution, and each of them might provide it in their own way so that heterogeneity also counts among characteristics of services that differentiate them from products (Ahmad and Buttle (2001).

On the basis of the above exposed thesis, the understanding of service quality is based on the *paradigm of service*. In that sense, the service sector company manager looks for a "balance between the human factor and technology, between expenses and profit and, after all, between quality and productivity" (Gummesson, 1993).

Wilkins, Merrilees, & Herington, (2007) indicate that the organization has to strive for success. When the set goals are achieved, we set other goals, striving for higher levels of product, processes and service efficiency. Accepting the concept of constant improvement means changing the management style. A total quality cannot be a program of changes with a set duration, it is a continuous, constant process. The questions set before the organization are the following: How do you keep up the constant striving for new improvement? What kind of measures and revisions of the business process do you have to use? How do you convince the employees that the business success and survival of the organizations can only occur if all employees accept constant actions to improve all their activities in the organizations?

A successful organization constantly identifies and tackles the causes of problems or potential problems that employees have in doing their jobs. For that reason every employee has to be trained to identify such problems. The management and the employees must work together on implementing suitable corrective and preventive measures.

Each business process is subject to variability. Process variability is considered a normal phenomenon that is usually counted on. Parameter variability in the field of transformation of incoming values into out coming values of the process affects the variability of the entire business process. For example, a lack of a specific product on the supplies market may require a substitution with another product of similar characteristics. Departure from the usual process (*variability*) can affect the quality of meals as results of a process, the timing of a process cycle, expenses of process quality, and the level of satisfaction of the consumer/user with the process result. Each episode of variability and a departure from the optimal process does not necessarily have a negative impact on the quality level of the process results (Kotler *et al.,* 2010).

However, if the process is moving away from its optimal course so much as to get close to the acceptable limit or it has surpassed the limit, cost incur due to poor quality. The process becomes too expensive, jeopardizing the quality of the results and thus seriously risking dissatisfaction on the part of the client/consumer, in other words, it becomes irrational.

2.7.1   Conceptual Framework for Measuring Service Quality in Hotels

Although there are several models (scales) for the measurement of service quality and the satisfaction of customers, they are often too generalized or ad hoc, and as such hard to apply in the hotel industry. As opposed to TQM, which began before all in companies that dealt with products, due to the specificities of services (the basic are: impalpability, inseparability from provider and receiver of service, impossibility of storage), a specific concept called SERVQUAL (SERVices QUALity Model) was created (Parasuraman, *et al.,* 1985).

When analyzing the quality of service it is desirable to analyze the largest possible number of companies supplying the same type of service. It is possible that if a company carries out a

research and finds that the results are negative, it can interpret this information in the wrong way and conclude that it provides services in a totally wrong way. On the other hand, when analyzing a large number of companies, it is possible to compare data and obtain a realistic picture of the position of an individual company compared to others regarding quality.
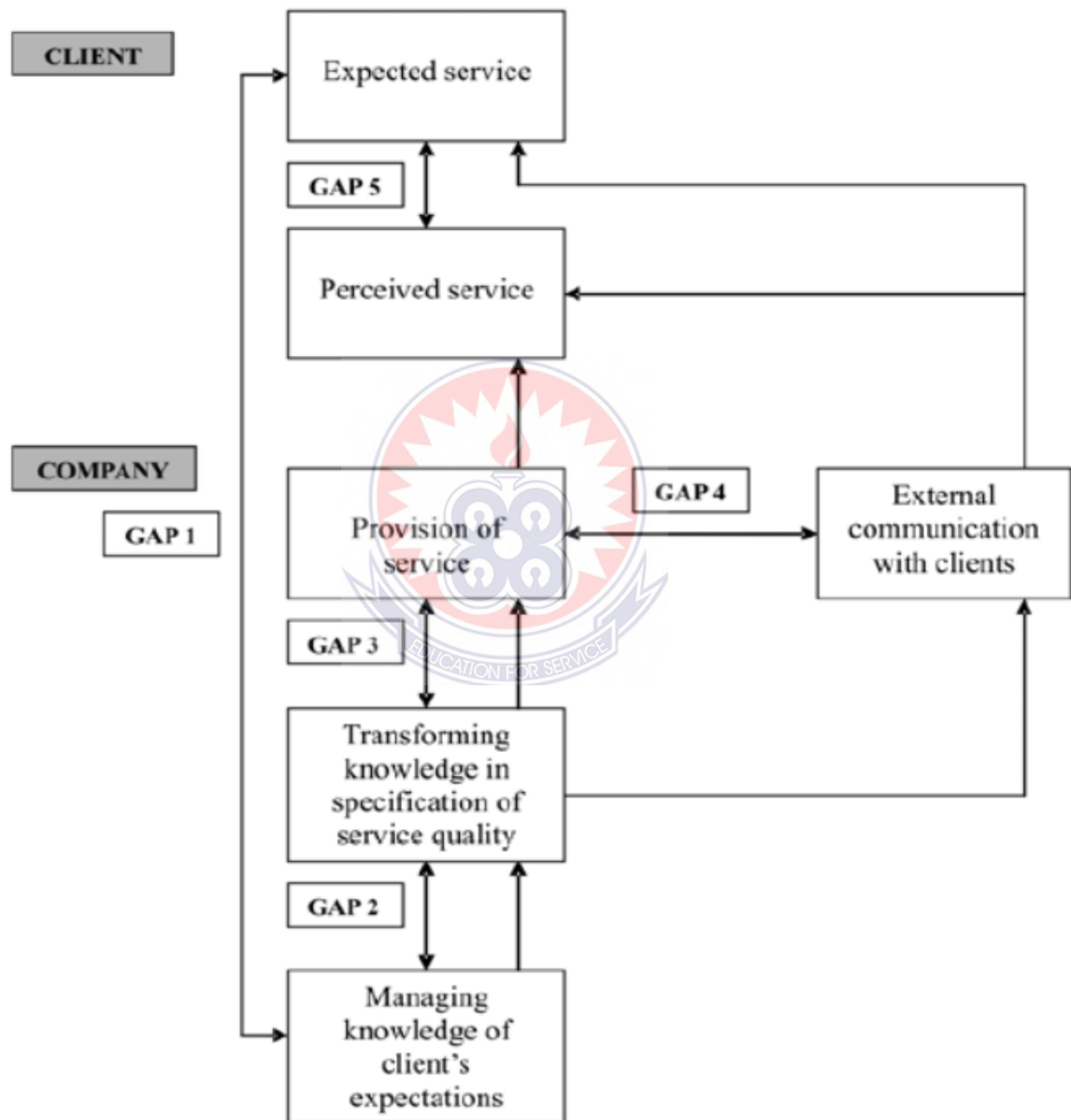
Figure 2.2   Conceptual model of service quality

Source: Parasuraman, *et al.,* (1985)

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The upper part of the model Figure 2.2, includes phenomena tied to the consumer, while the lower part shows phenomena tied to the supplier of services. The expected service is the function of earlier experiences of the consumer, their personal needs and oral communication. Communication with the market also influences the expected service. Experienced service, here called perceived service, is the result of a series of internal decisions and activities. The management's perceptions of the consumer's expectations is the guiding principle when deciding on the specifications of the quality of service that the company should follow in providing service. If there are differences or discrepancies in the expectations or perceptions between people involved in providing and consuming services, a "service quality gap" can occur, as shown in image Figure 2.2. Since there is direct connection between the quality of service and the satisfaction of clients in hotel industry, it is important for the company to spot a gap in the quality of service.

The first possible gap is the knowledge gap. It is the result of the differences in managing knowledge and their real expectations. This gap can lead to other gaps in the process of service quality and is, among other things, caused by:

- incorrect information in market researches and demand analysis;

- incorrect interpretations of information regarding expectations;

- lack of information about any feedback between the company and the consumers directed to the management;

- too many organizational layers that hinder or modify parts of information in their upward movement from those involved in contact with the consumers.

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The second possible gap is that of standard. It is the result of differences in managing knowledge of the client's expectations and the process of service provision (delivery). This gap may arise as a result of:

- mistakes in planning or insufficient planning procedures;

- bad management planning;

- lack of clearly set goals in the organization; and

- insufficient support of the top management to service quality planning.

The management can be right in evaluating the client's expectations and develop business methods to satisfy these expectations without the employees being correct in providing service.

For example, a restaurant can order the waiters to serve the customers in two minutes after they sit at the table. Nevertheless, the waiters can ignore that specification and talk between them on the side.
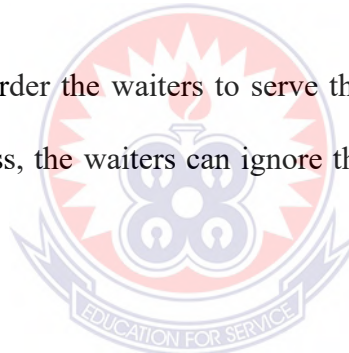
The fourth possible gap is the communication gap arising when there is a difference between the delivered service and the service that the company promised to the clients via external communications. The reasons are:

- the planning of communication with the market is not integrated with the services;

- lack or insufficient coordination between traditional marketing and procedures;

- organizational performance not in keeping with the specifications, while the policy of communication with the market abides by the given specifications; and

- tendency to exaggerate in accordance with exaggerated promises.

According to Baković & Lazibat, (2013), should any of the mentioned gaps arise, the "service gap" will also appear because the real service will not satisfy the client's

expectations. Hotel companies try to detect the "service gap" with survey questionnaires. Gap analysis is the fil conducteur for the management to find the causes of problems regarding quality and to find suitable ways to remove such gaps. For this reason the first four gaps are also called organizational or internal gaps.

The SERVQUAL model offers a suitable conceptual frame for the research and service quality measurement in the service sector. The model has been developed, tested and adapted during various researches in cooperation with the Marketing Science Institute from Texas and numerous companies operating in the service sector. The model is based on the definition of quality as a comparison of the expected and the obtained as well as a consideration of gaps in the process of service provision. SERVQUAL is based on the client's evaluation of service quality. The described concept is based on the gap between expectations and perception of the clients. Service quality represents a multidimensional construction.

The choice of the most important characteristics was an issue dealt within various ways. One of these is a logical attempt to work out a list of desirable attributes from the basic needs of the clients. A variant of a scale containing desirable characteristics of services, known as SERVQUAL scale, is currently quite popular in literature. It was developed in marketing circles with the aim to measure service quality (Baković & Lazibat, 2013). In the original SERVQUAL instrument, Parasuraman *et al.*, (1985) define service quality through ten dimensions which they sum up in five in 1988:

1. Reliability

2. Assurance

3. Tangibles

4. Empathy

5. Responsiveness

Each of the listed dimensions has different features. Just like dimensions have different influence on the final service quality, so do these features have different influence on the grading of success of a single dimension. Despite its popularity and wide application, SERVQUAL is exposed to numerous criticisms, from both the conceptual and the operational aspect.

2.8   Service Quality and Business Performance

Performance is referred to as being about doing the work, as well as being about the results achieved. It can be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of an organization, customer satisfaction and economic contribution (Salem, 2003). Performance management and measurement systems are developed as a means of monitoring and maintaining organizational control, which is the process of ensuring that an organization pursues action plans that lead to the achievement of overall goals and objectives.

These goals should in turn be direct manifestation of the mission and strategic orientation of an organization (Hubbard, 2009). Hotel performance is monitored by looking at what drives the financial results, how the competitors are doing, efficiency of operations and whether the hotel achieves budgeted results for the market.

TQM's impact on organizational performance has been investigated vigorously in a broad context but to a much less extent in the hospitality industry. Empirical findings generally support the proposition that TQM leads to overall performance improvement (Aarts & Vos, 2001; Feng, Prajogo, Tan, & Sohal, 2006; Lin, & Chong, 2009). However, there is no clear conclusion with regard to whether TQM has direct profit implications (Kaynak, 2003). Literature also suggests that TQM interacts with organizational characteristics and environmental factors to jointly affect organizational/departmental performance.

Nevertheless, there is a lack of empirical examination in this regard (Nair, 2006). Hence, a number of gaps such as knowledge of TQM's application and its relevance to the hotel sector need to be addressed.

Research suggests that there is a direct link between service quality and business performance (Buzzel and Gale, 1987; Parasuraman, 2002). The link is perceived to be either through offensive marketing by attracting new customers or defensive marketing by retaining the existing customer base (Soteriou and Zenios, 2000). This has led to an increasing popularity of quality improvement programmes and service quality becoming a strategic issue in services (Soteriou and Zenios, 2000).

TQM is deployed by organizations for its ability to enable better performance, a multiple-faceted construct that has been measured by financial performance (i.e., market share, sales per employee, return on assets, and return on capital), operational performance (i.e., errors, cost savings, timeliness of delivery), product quality, customer service and satisfaction (i.e., overall satisfaction, customer complaints, customer retention), and employee relations (i.e., extent of workforce participation) (Nair, 2006; Rao *et al.,* 1996).

Dimensions of performance may be grouped into two categories: financial and non-financial. The former reflects managers' ability to operate under resource and budget capacity, and the latter indicates their ability to manage staff and customer satisfaction (Patiar & Mia, 2008a, 2009). Researchers have agreed that subjective non-financial performance should not be interpreted as a convenient substitute for financial performance (Harris, 2001). Instead, an effective performance measurement system should incorporate suitable financial and non-financial indicators (Patiar & Mia, 2008).

TQM may impact on financial performance either directly or indirectly. The direct link is established through cost reduction resulting from quality improvement, while the indirect link is established through better customer satisfaction and subsequently improved financial performance (Rust, Zahorik, & Keiningham, 1995). Prior research that analyzed the direct relationship between TQM and organizational financial performance has shown mixed results (i.e., see Kaynak, 2003 for a review of studies on the TQM–performance link).

Although some studies (Buzzell & Gale, 1987, cited in Harrington & Akehurst, 1996; Chow-Chua, Goh, & Wan, 2003; Rust e*t al.,* 1995) noted a positive relationship between quality management and financial return, others (Aarts & Vos, 2001; Wilson & Collier, 2000) failed to verify such a proposition.

There are a number of critical success factors, which appear common to most hospitality organizations, such as a customer focus, staff, quality of service and profitability. Once these have been identified it is possible to develop methods of measuring the performance of these factors (Melia, 2011). A good number of independent and chain hotels have opted for a Balanced Scorecard (BSC) approach or its adaptation. In the basic BSC model, a number of objectives(alternatively known as key result areas or critical success factors) are grouped into four major dimensions, i.e., the customer dimension (market share, customer satisfaction measures, customer loyalty), the employee dimension (morale, knowledge, turnover, use of best demonstrated practices), the internal process dimension(productivity rates, quality measures, timeliness), and the financial dimension (revenues, earnings, return on capital, cash flow) (Quintano, 2009). All four dimensions are perceived to be equally important or balanced. Within each dimension, a limited number of objectives/key result areas (KRAs) are also deemed to be all equally important or balanced.

2.8.1   Service Quality

Service quality derives from the field of marketing which values the human interaction between a business and its customers (Antony *et al.,* 2004). It incorporates the concept of meeting and exceeding customer expectations and it is generally accepted that better service quality impacts positively on an organisation's performance and competitive positioning (Parasuraman *et al.,* 1985; 1988; Zeithaml *et al,* 1990; Harrington and Akehurst, 1996).

However, the definition of service quality is fraught with disagreements (Robinson, 1999: Presbury *et al.,* 2005). As a consequent there are numerous definitions of quality. American quality gurus provided the earliest definitions for quality. Juran (1982; 1988) defined quality as 'fitness for purpose whereas Crosby (1984) defined it as 'conformance to requirements', whilst Garvin (1988), identified internal and external failures and measured quality by counting malfunctions. However, these definitions derive from a goods manufacturing perspective and are not applicable to services (Gronroos, 1984; Parasuraman *et al.,* 1985; 1988). The second series of definitions sought to define quality from a services perspective. Gronroos (1984) divided service quality into three components: technical, functional and image and argued that functional quality as the most critical aspect.

Lewis and Booms (1983) defined quality as a measure of how well the service level delivered matches the customer's expectations. Parasuraman *et al.,* (1985) defined service quality as a gap between customers' expectations and the performance they actually receive whilst Asher (1996) suggest that quality is the degree to which a customer's perceived expectations are met based on a subjective judgement of the service transaction. The review of service quality definitions is important to the study as accurate knowledge of what customers expect is the first and perhaps the most critical step in delivering service quality. Furthermore, the

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controversies that belie service quality implementation may stem from the difficulties that surround the definition of the quality concept (Robinson, 1999).Given the multiplicity of definitions for quality available, the authors propose that the first step that quality researchers should carry out is to ascertain how middle level managers conceptualise the quality concept. This will enable the authors to make context informed judgements on the actions of managers.

2.8.2   Business Performance

Business performance derives from the field of strategic management which is concerned with evaluating the efficiency and effectiveness of business actions towards the attainment of organisational goals (Neely, 1998).

There is consensus in the reviewed literature that performance management and improvement is at the 'heart' of strategic management (Harrington and Akehurst, 1996; 2000; Kaplan & Norton 1992; 1996). Indeed much of the thinking on strategy is concerned with defining and measuring performance (Atkinson & Brown, 2001).Despite the importance attached to it, like service quality, the concept of business performance is fraught with definitional problems (Andersen *et al.,* 2006). The Institute of Personnel Management (1992) provided one of the most widely used definitions:

'A philosophy rather than a clearly defined process or set of policies. An approach to achieving a shared vision of the purpose and aims of the organisation, helping each individual employee to understand and recognise their part in contributing to those aims and in so doing, manage and enhance the performance of the organisation.'

Cokins (2006) defined performance as the framework for managing the execution of an organisation's strategy. In other words it describes the process of how an organisation

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translates plans into results. Thus business performance is related to success and the construct of 'excellence' as proposed by Peters and Waterman in the 1980s.In the hotel industry business performance could be viewed in terms of how well stakeholders' expectations are fulfilled (Phillips, 1999). However, given the multiplicity of stakeholders, the role of the divergent and often conflicting interests and motives of the various stakeholders should be borne in mind when measuring performance (Phillips, 1999). As with service quality, the authors propose to start by exploring middle management perceptions of business performance before examining the implementation

2.9   Summary of Literature Review

The literature reviewed above explored concepts of quality, quality management and total quality management. A brief history of total quality management was given which further threw light on how the hospitality sector came to embrace the concept. The literature also touched on the quality management practices or activities employed by hospitality firms and the benefits thus gained. Issues like the link between quality management and customer satisfaction, customer satisfaction and loyalty, measurement of quality and the critical success factors in quality management were all looked at. The review then presented a view on the conceptual framework for measuring service quality in hotels by using the gap analysis model of service quality by Parasuraman, *et al.,* (1985).

The concerns raised from the review revealed that quality management, its adoption and implementation and measurement involves considerable time, effort and resources on the part of all concerned. Several studies revealed that there is a relationship between quality management, quality assurance and a business' profitability and overall performance in the long run.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1　Introduction

This chapter presents a discussion on the methods and methodology employed by the researcher in the conduct of the study. It focuses primarily on the methodology used and the methods employed in collecting data for the study. It gives a description of how data was collected, discusses the research design, the population, sample and sampling procedure, data collection instruments and techniques, and the instruments used in the analysis of the data collected.

3.2　The Research Design

The researcher used the quantitative research approach in the conduct of this study. The descriptive survey was used to establish the quality management practices adopted by Promising Stars Hotel and the impact the practices have on hotel performance. A descriptive survey is a type of conclusive research that has its major objective as description of phenomena associated with a subject, population or to estimate proportions of population that have certain characteristics (Malhotra, 1996). According to Cooper and Schnidler (1998), such studies aim at determining answers to the question of who, what, when, how, why and where.

The descriptive survey design was chosen because it gives researchers the opportunity to study quantitative information about the population or phenomenon that is being studied. Also, the nature of the topic under study demanded the application of the survey design. However, surveys have a limitation in confidentiality as participants may not always give true answers to questions and some may refuse to answer questions perceived to be too personal

or difficult. The research was a cross sectional study since it was an academic pursuit and was not likely to be replicated over time.

3.3   The Study Area

Kumasi, the capital city of the Ashanti region is located in the rain forest region of Ghana and is popularly known as "The Garden City" because of its various species of flowers and plants. It is the second-largest city in Ghana, located in the south-central part of the country, about 250 km from Accra. Kumasi is situated at latitude 6.68° North, longitude 1.62° West and 247 meters elevation above the sea level. Queen Elizabeth II of England gave Kumasi the name Garden City of Africa when she visited the area in the 1960s because of the variety of plants life in the area (KMA, 2010). Given its strategic location and political dominance, Kumasi developed into a commercial centre with all major trade routes in Ghana converging in the city. With time, the city began to expand, and it is currently rated second only to Accra (the national capital) in terms of land area, population size, social life and economic activity (KMA, 2010). Its strategic location has made it assume a pivotal role in the vast and profitable distribution of goods and services in the country and beyond.

The unique centrality of the city as a traversing point from all parts of the country makes it a special place for commerce and hence the provision of accommodation services to cater for overnight travellers who are likely to make transit through the Metropolis. Also, the city's beautiful layout and greenery has accorded it the accolade "Garden City of West Africa". The major attractions in the Kumasi Metropolis include the Kumasi Zoological Gardens, Ghana National Cultural Centre, Armed Forces Museum, Komfo Anokye Sword Site, Kejetia Central Market, and the Manhyia Palace. The Metropolis has been described as the heart of Ghana's cultural heritage and the main attraction in the city is centred on the rich Asante

culture (GTA, 2010). Festivals such as Akwasidae and Akwasidae Kese are among the biggest cultural events. Cultural artefacts also abound in the city and the craft villages at Pankorono and Ntonso complement the tourist attractions of the city. Kumasi is also increasingly becoming attractive to business tourists (Akyeampong, 2007) in Ghana.
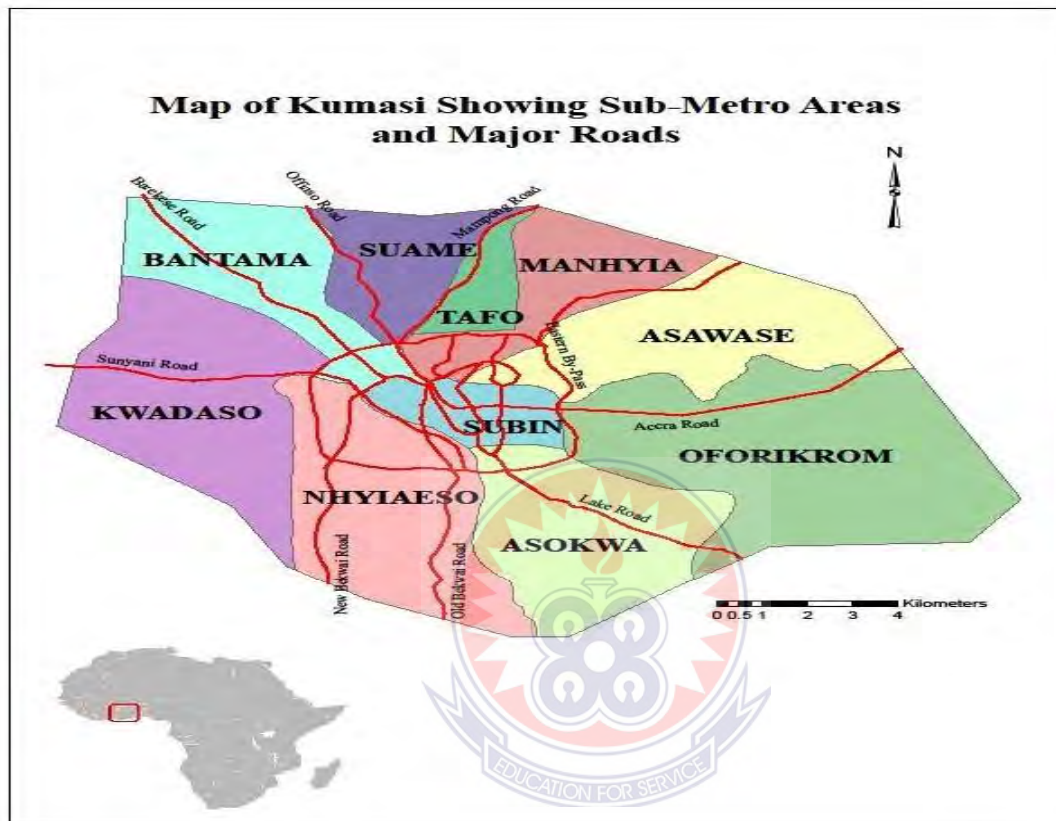
Figure 3.1: City map of Kumasi

Source: KMA (2010)

Up till now, the vast majority of the investment in the hotel sector had been concentrated in the Greater Accra Region with its benefits of proximity to the main sea ports and key government offices. Kumasi through its location, infrastructure and local resources, is strongly positioning itself to benefit from this new emphasis due to its central location which formed an important transport and commercial hub for both domestic and international traffic. There is a rapid growth in the hospitality industry with the emergence of very large hotel facilities in the Kumasi metropolis within the last few years.

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3.4   Brief Profile of Promising Stars Hotel

Promising Stars Hotel, is a three-star hotel located at UGC last stop, Bremang New Town in the Kumasi Metropolis of Ghana. The hotel is about 15minutes drive from the Kumasi Airport. The hotel is a modern contemporary hotel offering the highest of standards. The hotel offers 56 standard, twin bed, executive and royal suites. Facilities and services of the hotel include a swimming pool, a fitness gym, laundry and beauty salon, bar and restaurant, conference room, a gift shop and a bus service. The hotel is a sole-proprietor business owned by a single individual established in the year 2005. Promising Stars hotel boasts of about 80 both part-time and permanent staff with 12 of them being senior management staff.

3.5   The Population

Agyedu, *et al.,* (2010) explain that the term population refers to the complete set of individuals (subjects), objects or events having common observable characteristics in which the researcher is interested in studying. The population for this study covers the entire hospitality industry in the Kumasi metropolis in the Ashanti Region of Ghana. This includes both staff and customers of the hospitality industry. For this study, the population was narrowed down to staff and customers of Promising stars hotel in the Kumasi Metropolis. From this population, a sample frame was selected to participate in the study.

3.6   Sample and Sampling Technique

Sampling technique is the statistical tool for selecting a fraction or percentage of a group of people to represent the total or entire population (McDaniel & Gates, 1998). In the selection of the hotel, Promising stars hotel, the researcher used convenience sampling for reasons of proximity and accessibility to respondents. The stratified random sampling was used to make a fair selection of staff from the hotel whilst the simple random sampling was used to select

the customers for the study. The respondents were grouped into two strata, that is managerial staff and operational staff based on the existing classification of staff in the hotel.

The researcher selected 20 staff of the hotel comprising 5 management and 15 operational staff and 40 customers to make a total sampling frame of 60. This is because the target population was based on only one hotel in which regards a larger sampling frame would have been impractical. The 5 management staff were selected since they are responsible for the planning and provision of quality management policies for the organisation. The 15 operational staff was selected from the various sections of the establishment to solicit their opinions in relation to actual or perceived quality management activities in the hotel. The customers were included in the study because they were the ones who actually consume the provided services and hence a view from their side was considered necessary for the success of the study.
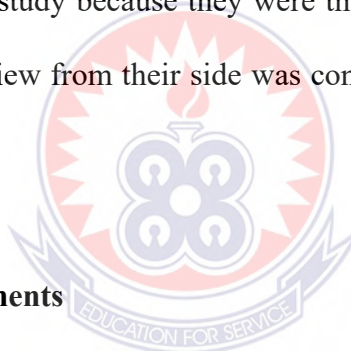
3.7   Data Collection Instruments

Instruments for the study were questionnaire and semi-structured interview. Hendricks (2009) describes a questionnaire as a set of carefully designed questions given in exactly the same form to a group of people in order to collect data about some topic(s) in which the researcher is interested. To measure a subtle and delicate concept like quality management of products and services calls for a cautious selection of appropriate data collection instruments. The researcher conscientiously opted to use questionnaire for data collection with semi-structured interview conducted sparingly. This is because the nature of the phenomenon under study calls for both qualitative and quantitative data which are appropriately collected using interview and questionnaire respectively.

The researcher designed a 25–item questionnaire to collect data from the management and staff of the hotel whilst a 14-item questionnaire was used for customers of the hotel. The questionnaire for staff was meant to find out the existing quality management procedures they follow and how they actually implement it. It also sought to find out the supervision of quality and the actual management of quality to ensure customer satisfaction and retention. The questionnaire for customers sought to know how staff members relate to customers and their perception of quality in the hotel.

3.8   Validity and Reliability of Instruments

Validity and reliability in research is the degree of stability exhibited when measurement is repeated under identical conditions (Burns & Grove 1997). Research validity refers to the researcher's objectivity in actually measuring what was supposed to be measured and not something else. Reliability means responses to the questionnaire were consistent (Steiner & Norman, 1989). The researcher took the following steps in order to ensure the validity of the data. The questionnaire was based on the research objectives and information obtained from literature review. This was to ensure that it was from a representation of elements from the topic under discussion (Polit & Hunger, 1993). For reliability compliance, the researcher did a pilot testing of the questionnaire on different establishments in the Municipality. Based on their responses, certain items were reworded to enhance their meaning and question flow.

3.9   Data Collection Procedure

The study relied on primary data sources. The researcher collected the primary data using a structured questionnaire (see Appendix A). The questionnaire utilised a five-point Likert scale items. The researcher visited the hotel and briefed the management and operational staff on the purpose of the study and its educational implications after permission was sought and

granted by the Head of the establishment. The respondents were allowed some time to raise questions about the areas they were finding difficult to understand. The researcher chose self-administered questionnaire for the study since it had the lowest cost and the hospitality staff read and responded to the questions at their own pace and time. It also provided the greatest sense of anonymity and had a lower chance of introducing bias. On the whole, the researcher spent about two weeks for the collection of the data. The data collection yielded a 100% response rate since all the respondents selected for the study responded to the questionnaires.

3.10   Data Analysis

The data collected was sorted and coded to ensure it was complete for analysis. Descriptive statistics such as mean, standard deviations, frequencies and percentages were used to analyse the data collected based on the research objectives and hence summarise research findings. The organized and coded data was then fed into the Statistical Package for Social Sciences (SPSS Software version 20) for analysis and interpretation. As a means of analysing the Likert scale items which was part of the questionnaire, a five point rating system was used as follows: Strongly Agree (SA) = 1, Agree (A) = 2, Neutral, (N) = 3, Disagree (D) = 4 and Strongly Disagree (SD) = 5. On a five point rating scale, a midpoint mean value of 3.0 was used. This means that any variable which scores a mean value between 1.0 and 2.9 indicates that respondents accepted that variable. Conversely, a mean value between 3.1 and 4.0 is interpreted to mean that respondents did not accept that variable. The analysis and interpretation is presented under Chapter Four of this study.

3.11   Ethical Considerations

Every profession is guided by ethical principles and so is the research discipline. A major ethical concern for researchers in their line of duty is that which requires them to strike a

balance between the demands placed on them as professional scientists in pursuit of truth and their subjects' rights and values potentially threatened by the research (Cohen, Manion and Morrison, 2007). To make this study conform to ethical principles and practices, the rights to self-determination, anonymity, confidentiality and informed consent were observed (Kusi, 2012). Written permission to conduct the study was sought from the Department of Tourism and Hospitality. The respondents were informed of their rights to voluntarily participate or decline. They were informed about the purpose of the study and were assured of not reporting any aspect of the information they provided in a way that will identify them. They were assured that there were no potential risks involved in the process.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1   Introduction

This chapter of the study presents the data gathered from the study emanating from the administered questionnaires and analyses them. Descriptive statistical tools such as frequency distribution tables, simple bar charts and histograms were used for the analysis to illustrate the outcomes of the data collected. The analyses of the data was done in accordance with the various objectives of the study which was in line with the questionnaires administered. The questionnaires were designed purposely to gather information on the quality management practices of the hotel under study; thus Promising Stars Hotel Ltd and the impact of the quality management practices on the overall performance of the Hotel. In all, sixty (60) questionnaires were administered to respondents, both staff and customers of the hotel which were all successfully retrieved for the study.

The chapter is in two major sections. The first section deals with the analysis of data from the staff of the hotel whilst the second section presents the analysis of data from customers of the hotel.

Section A: Results from Hotel Staff

4.2   Socio-Demographic Data of Respondents

The questionnaire presented to respondents sought the details about their gender, age groups, educational qualification, years of experience and section/department of the hotel where they worked. The socio-demographic information of respondents are presented in Table 4.1.

Table 4.1   **Socio-demographic information of respondents (Staff)**

Variables	Frequency (*f*)	Percentage (%)
Gender		
Male	8	40
Female	12	60
Total	20	100
Age		
Below 25 years	4	20
26 – 30 years	6	30
31 – 39 years	7	35
40 – 49 years	2	10
50 – 59 years	1	5
Total	20	100
Educational Qualification		
Basic School Certificate	1	5
Senior High	10	50
Diploma/HND	5	25
First degree	3	15
Post graduate	1	5
Total	20	100
Work Experience (Years)		
Less than a year	4	20
1 – 2 years	8	40
3 – 5 years	5	25
6 – 10years	1	5
Above 10 years	2	10
Total	20	100
Section/Department of Work		
Management	5	25
Housekeeping	3	15
Front Office	3	15
Kitchen Staff	4	20
Service (Waiting)	5	25
Total	20	100

Source: Researcher's field work (2016).

The gender distribution of staff at Promising stars hotel Ltd. according to data from Table 4.1, indicates that eight people were males whilst 12 people were females. This respectively corresponds to a percentage of 40 and 60. This data implies that, majority of staff of the hotel were females which goes to affirm popular notion that the hospitality industry is a preserve for females. This view is also shared by Baum (2008) who asserts that females are perceived as more hospitable and compassionate and hence are recruited by hospitality establishments to fill key positions such as kitchen staff, front office staff, servers/waitresses and housekeeping.

With respect to age distribution of respondents, Table 4.1 reveals that half of respondents were aged 30 years and below. It is seen that, four respondents representing 20% were aged below 25 years whilst six were in the age group of 26 – 30 years. Also, seven respondents which represents the highest percentage for individual age groups were aged 31 – 39 years, with two people being in the age range of 40 – 49years. One person however was reported to be between 50 and 59years old. This data shows that majority of the respondents who participated in the study are moderately matured and hence can be relied on to provide valid responses for the purposes of this study.

In terms of education, only one person held a basic school certificate whilst 10 respondents held senior high school certificates. Five people however held either Diploma or Higher National Diploma certificates with three holding first degrees. One person was however reported to have a post-graduate degree.
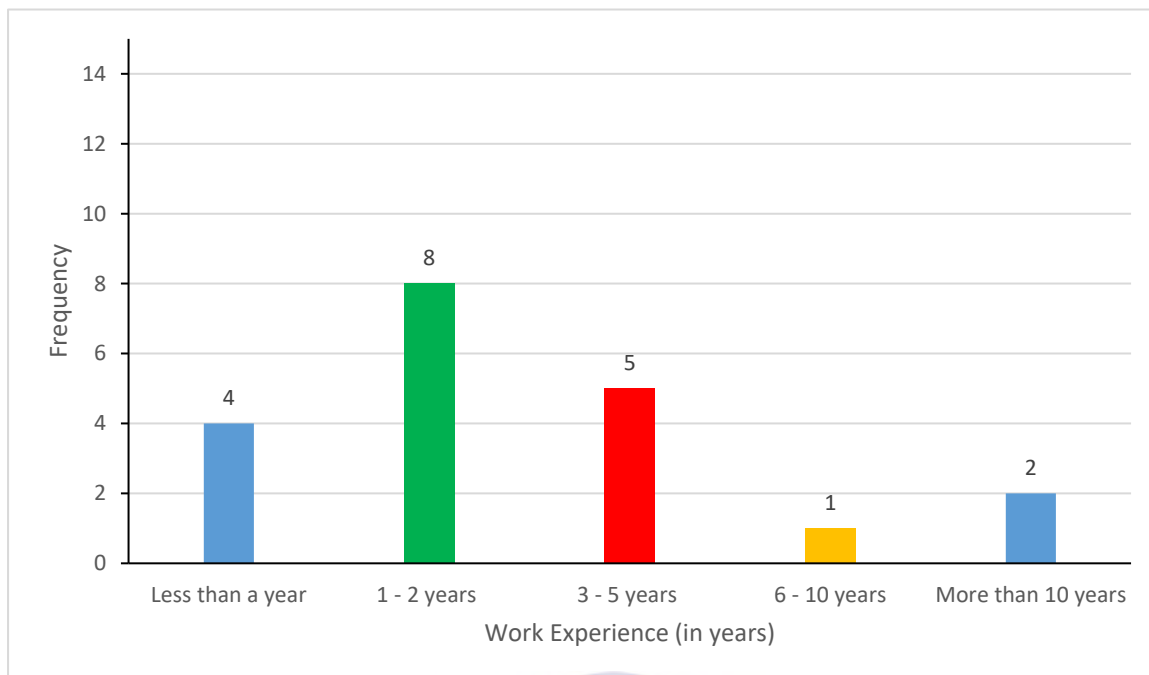
Figure 4.1: Work experience of staff

The work experience of respondents (in years) was also collected by the researcher and is presented in figure 4.1. From the chart it is apparent that, most of respondents have not worked in the hotel for more than two years. Four respondents have worked for less than a year in the hotel whilst eight had worked between 1 and 2years. Further, it is seen that five respondents have worked for 3 – 5years whilst only one person had worked for 6 – 10years. Only two respondents have worked for more than 10years in the hotel. This data which reflects a relatively inexperienced working staff at the hotel is symptomatic of the fact that the hospitality industry is plagued with high labour turnover issues (Walsh & Taylor, 2007).

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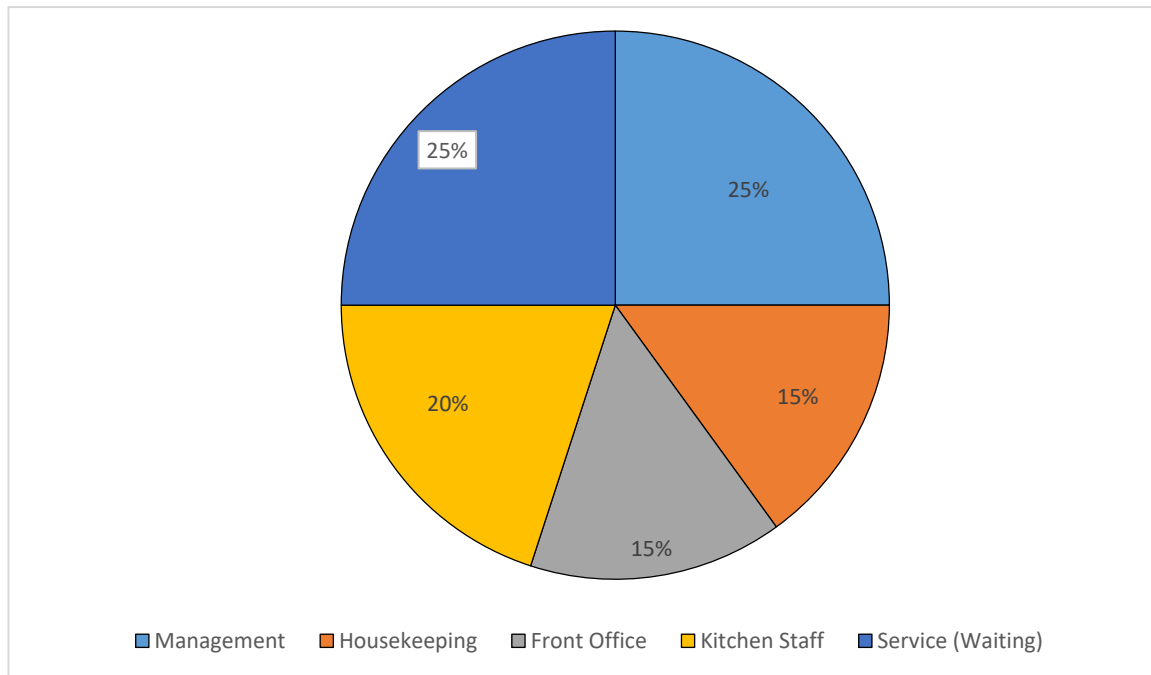
Figure 4.2: Department of work of respondents (Staff)

The researcher sought to know the various departments of the hotel where respondents worked. From the Figure, five respondents were in management positions whereas three respondents were in the housekeeping and front office departments each. Four respondents worked as kitchen staff whilst five were in the service section as waiters or waitresses.

4.3 Quality Management Practices by Staff of Promising Stars Hotel Ltd.

As has been discussed in literature, quality management in any organisation has a definite impact on the organisation depending on how the staff and management of that organisation go about it. In this study, the researcher sought to know the existing quality management practices of Promising stars hotel Ltd. Tables 4.2 and 4.3 present data on the quality management practices of the hotel.

Table 4.2 Existence of a quality assurance policy in the hotel

Responses	Frequency (*f*)	Percentage (%)
Yes	17	85%
No	3	15%
Total	**20**	**100%**

Source: Researcher's field work (2016).

The data from Table 4.2 indicates that the hotel had a quality assurance policy which guided it in its operations. As is seen from the table, a high majority of 85% which corresponds to 17 out of the total 20 staff members responded in the positive that there existed a quality assurance policy for the hotel. However, three respondents representing 15% responded in the negative. This could be explained by reason of the fact that, a few of the respondents for the study had worked with the hotel for less than a year as presented in Table 4.1. Due to this, it could be said that their awareness of an existing policy for quality assurance in the hotel was very low. This is in consonance with the views of Mill (1986) and Cathcart, (2008) who opined that the measurement and process improvement have largely been neglected in the hospitality industry. According to them, the focus of quality initiatives for the hospitality sector has been primarily on the selection and training of front line staff.

There are several quality management approaches which individually are used based on their fitness of purpose by organisations. Such of these approaches are the six sigma technique, Lean operations, continuous process improvement, Total quality management, Standardisation of processes among others. As a follow-up to table 4.2, the researcher sought to know the quality assurance policy that was employed by the hotel in their day-to-day operations. This result is presented in Table 4.3.

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Table 4.3   Policies of Quality Assurance in place at the Hotel

Quality assurance policy	Frequency (*f*)	Percentage (%)
None	3	15%
ISO 9000 (2008)	4	20%
SERVQual	4	20%
TQM	9	45%
Total	**20**	**100%**

Source: Researcher's field work (2016).

From the table, 45% respondents answered that the hotel implemented the Total Quality Management (TQM) policy whilst 20% of respondents however said the quality assurance policy in use was the ISO 9000 standards and SERVQual respectively. Three (15%) respondents had no idea of the quality assurance policy of the hotel and hence responded 'none' to the questionnaire item. The foregoing is an indication that the hotel had not singled out one particular quality assurance policy for its use and hence were using a mix of features from the commonly known quality assurance models as their policy. It is evident however that staff of the hotel practice the TQM approach more than all the other quality assurance approaches. This is because TQM is viewed as a comprehensive systems approach that works horizontally across an organisation, which provides a framework for implementing effective quality and productivity initiatives that can increase the profitability and competitiveness of organisations. Callan (1992) is of the view that quality measurement standards like the ISO 9000 has not been much recognised by the hospitality industry whilst Zeithaml, Parasuraman & Berry (1990) suggested that the Total Quality Management (TQM) is widely used by the industry.

Table 4.4   Practices of Quality Management at Promising Stars Hotel Ltd

Variables	Frequency (f)	Percentage (%)
Hotel appraisal of quality and customer satisfaction		
Yes	19	95%
No	1	5%
Total	20	100
Frequency of quality management appraisal		
When problems arise	5	25%
Every three months	0	0%
Every six months	12	60%
Yearly	3	15%
Total	20	100
Means of resolving customer related problems		
By management alone	3	15%
By employees alone	8	40%
By both management and employees	9	45%
Total	20	100
Promptness of resolving customer complaints		
Immediately	12	60%
In a day	8	40%
In a week	0	0
Total	20	100
Hotel is quality oriented in customer service		
Yes	19	95%
No	1	5%
Total	20	100

Source: Researcher's field work (2016).

Data from Table 4.4 shows that management and staff of Promising Stars Hotel engages in appraisal of quality and customer satisfaction. This is evident from the responses where 19 (95%) of respondents responded positively to the assertion that the hotel appraised quality and customer satisfaction whilst only one (5%) responded in the negative.

When asked how often management and staff appraised quality in the hotel, a majority of 12 out of 20 respondents said it was done bi-annually that is every six months, twice in a year. However, a relatively small number of 5 respondents also indicated that quality management

appraisal is conducted when problems arise so as to solve these problems with minimum damages. Again, three respondents indicated that the appraisal of quality was done annually.

In all service related organisations, there is always the potential of customer-related problems which are continually addressed by staff of the organisations to ensure that the organisation remains in the positive books of clients. When respondents were asked how they dealt with the resolution of customer-related problems, 9 of respondents said they are handled by both management and employees. Also, 40% indicated that customer related problems were handled by employees alone whilst only 3 out of 20 respondents representing 15% indicated that they were handled by management alone.

On the promptness of resolving customer complaints, 12 respondents reported that they were resolved immediately upon notification or detection whilst 8 (40%) indicated that customer complaints were resolved within a day. This goes to show that the staff and management of the hotel were committed to the satisfaction of their customers thus their quick resolution of customer complaints. This is supported by Holjevac, (2002) who intimated that problems in service quality arise from a lack of clear and measurable parameters for the determination of quality. He further intimated management staff and operational staff should collaborate and work hand in hand to resolve customers' complaints.

Again, respondents were asked whether they think the hotel is quality oriented in their customer service or not. To this question, an overwhelming majority of 95% representing 19 out of 20 respondents gave a positive response whilst only one respondents with a percentage representation of 5% indicated otherwise. It was also seen that the hotel conforms to both international and national level standards in their operations since 40% each of respondents

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indicated that the hotel adhered to international level standards and national level standards with 20% responding that the hotel also adhered to the standards set by the hotel management, i.e. hotel level standards. Rust and Zahorik (1993), opine that the role of top management leadership in ensuring quality management is essential. Harrington and Akehurst, (1996) contend that the efficiency of the whole system is possible only if we monitor and analyse the demands of the customers as well as define and control the process of quality improvement.

4.4   Quality Management and Hotel Performance

The practice of quality management act as mechanisms for maintaining and improving the quality of products or services. By so doing, products and services meet or exceed customer's implied or stated needs and thus fulfil their quality objectives. This undoubtedly will have an effect on any organisation that utilises these quality management mechanisms. The researcher sought to find out the effects of quality management practices at Promising Stars Hotel on the hotel performance, the result of which is presented in Table 4.5.

The scaling values for Table 4.5 below is given as, Strongly Agree = SA, Agree = A, Neutral = N, Disagree = D, Strongly Disagree = SD. For the purposes of analysis the researcher condensed the strongly agree and agree categories to mean Agree; and Disagree=strongly disagree + Disagree. Based on the five-point Likert scale used (i.e. SA=1, A=2, N=3, D=4, SD=5), a computed mid-point mean value of 3.0 and below ($\bar{x} \leq 3.0$) signifies general agreement with the statement whilst a mean score of 3.1 and above ($\bar{x} \geq 3.1$) indicates that respondents generally disagreed with the statement. According to Cohen, Manion & Morrison (2007) the use of a 5-point scale category has a midpoint of 3 while on a 7-point scale category a midpoint of 4 is used.

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Table 4.5   Impact of quality management on hotel performance

Variables	SA		A		N		D		SD		Mean
	ƒ	%	ƒ	%	ƒ	%	ƒ	%	ƒ	%	(x̄)
Ensuring quality management reduces cost of operation	2	10%	2	10%	5	25%	8	40%	3	15%	3.40
Quality management leads to customer satisfaction and loyalty	11	55%	7	35%	2	10%	-	-	-	-	1.55
Quality management leads to high productivity and revenue for the hotel	1	5%	10	50%	6	30%	3	15%	-	-	2.55
Quality management leads to increase in market share of the organisation	8	40%	5	25%	6	30%	1	5%	-	-	2.0

Source: Researcher's field work (2016).

According to the results presented in Table 4.5, with the exception of the first variable which states that ensuring quality management reduces the cost of operation of the organisation, all the other variables were accepted.

From the table, the first item with a mean score of 3.40 which is greater than the acceptable mean score of 3.0 indicates that respondents rejected the assertion. A closer look at the table shows that the combined percentages of the 'Disagree' and 'Strongly disagree' columns was 55% as against 20% of 'Strongly Agree' and 'Agree' columns. In all, staff of the hotel accepted that quality management leads to improved customer satisfaction and loyalty, high productivity and revenue for the hotel and also an increase in the market share of the organisation.

This is an indication that adherence to quality management by the hotel has a positive impact on the performance of the hotel in general, an outcome which is shared by several authors. Specifically, Powell (1995) suggested that there are significant relationships between QM, competitive advantage, and business performance. He intimated that, well-implemented quality management practices offer many benefits including improved products and services, reduced costs, more satisfied customers and employees and an improved bottom-line financial performance. A study by Simmons and White (1999) involving 126 electronics

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companies concluded with a similar outcome in favour of companies that adhered to quality management.

Table 4.6: Effect of quality management hotels.

Impact of quality	Frequency (*f*)	Percentage (%)
Gained international recognition	2	10%
Increased growth rate	10	50%
Earned positive word of mouth	8	40%
Total	**20**	**100**

Source: Researcher's field work (2016).

Table 4.6 presents data on how the adherence to quality management affects the hotel. From the data presented, 10 (50%) indicated that the quality management practices of the hotel have resulted in an increased growth rate whilst 8 (40%) indicated that it has earned the hotel a marketing gain by customers' positive word of mouth. However, only 10% corresponding to a frequency of 2 out of 20 indicated that the hotel has gained international recognition through the quality management practices. This is further testament of the fact that quality management has truly positive impact on the hotel.

4.5   Impact of quality on customer satisfaction at Promising Stars Hotel Ltd.

Researchers assert that there is a positive link between quality and customer satisfaction in service industries (Ganesh *et al*. 2000; Yuksel and Yuksel, 2002). To this effect, the researcher sought to ascertain the impact of quality on the satisfaction levels of customers at Promising Stars Hotel Ltd. The collected data is presented in Table 4.7. Table 4.7 presents the impact of quality on a rating scale. The scale used is interpreted as follows: 1 = Very large extent (VLE), 2 = Large extent (LE), 3 = Moderate extent (ME), 4 = Small extent (SE), 5 = Not at all (NA).

Table 4.7: Impact of quality management practices on customer satisfaction

Variables	VLE		LE		ME		SE		NA		Mean
	f	*%*	*f*	*%*	*f*	*%*	*f*	*%*	*f*	*%*	($\bar{x}$)
Level of guest satisfaction	11	55%	7	35%	2	10%	-	-	-	-	1.55
Willingness of guests to return	14	70%	5	25%	1	5%	-	-	-	-	1.35
Willingness of guests to recommend hotel to others	13	65%	7	35%	-	-	-	-	-	-	1.35
Hotel occupancy rate	5	25%	8	40%	7	35%	-	-	-	-	2.10
Food and beverage costs efficiency	2	10%	5	25%	9	45%	4	20%	-	-	2.75

Source**:** Researcher's field work (2016).

From the result presented in Table 4.7, one can see that the impact of quality management practices on the hotel's operations is quite substantial. The respondents agreed that, to a very large extent and to a large extent (55%) and (35%) respectively, the level of guest satisfaction has improved due to the adherence of the hotel to quality management. Also, a combined percentage of 95% indicated that the willingness of guests to repeat patronage to the hotel due to quality of services is to a very large extent (70%) and to a large extent (25%). It can be concluded that, the adherence to quality has positively impacted the operations of the hotel to a large extent, judging from the information presented in the table since all the variables presented scored acceptable mean values.

Section B: Results from Customers

As a means of corroborating what staff and management of the hotel reports about the hotel, the researcher sought to find the views of customers who are the actual consumers of the services and products provided by the hotel. As such, questionnaires were administered to selected customers of the hotel, the responses of which are presented in the following sections.

4.6   Demography of Customers

The demographic data of customers collected by the researcher is presented in Table 4.8.

Table 4.8   Socio-demographic information of respondents (customers)

Variables	Frequency (f)	Percentage (%)
Gender		
Male	22	55%
Female	18	45%
Total	40	100
Age		
Below 25 years	2	5.0%
26 – 30 years	3	7.5%
31 – 39 years	10	25.0%
40 – 49 years	11	27.5%
50 – 59 years	12	30.0%
60 years and above	2	5.0%
Total	40	100
Educational Level		
Basic School Certificate	1	2.5%
Senior High	11	27.5%
Tertiary (Certificate/Diploma/HND)	11	27.5%
First degree	12	30%
Post graduate	5	12.5%
Total	40	100
Years of Patronising Hotel		
First timer	4	10%
Less than a year	11	27.5%
1 – 2 years	13	32.5%
3 – 5 years	9	22.5%
6years and more	3	7.5%
Total	40	100

Source: Researcher's field work (2016).

Table 4.8 shows the demography of respondents who are customers of the hotel under study. From the table, it is seen that 22 of the customers are males, with the remaining 18 being females.

The age group information collected revealed that, the highest proportion of customers of the hotel were aged between 50 and 59 years which had a percentage of 30%, with the next

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highest group being 40 – 49years. Also, 25% of customers of the hotel were aged between 31 and 39 years whilst the least represented age groups were 26 – 30 years, 60years and above, and below 25 years each recording a percentage value of 7.5%, 5% and 5% respectively. This means that most of the customers of the hotel are matured people or within their elderly ages.

The education level of customers show that majority (30%) of customers are first-degree holders whilst tertiary education (certificate/diploma/HND) holders and Senior High School certificate holders each accounted for 27.5% of the customers of the hotel. Post graduate degree holders accounted for 12.5% of customers whilst basic school certificate holders accounted for the least proportion of customers which is 2.5%.

The researcher went further ahead to collect information on the number of years customers have been patronising the hotel. The data shows that, 10% of customers sampled for the study were first-time visitors of the hotel whilst 27.5% had been with the hotel for less than a year. Again, the highest percentage of customers, 32.5% had been visiting the hotel for between 1 – 2 years whilst 22.5% had patronised the hotel for 3 – 5 years. The least number of customers which is three representing 7.5% had been patronising the hotel for over six years. This is an indication that majority of the customers sampled for the study had been with the hotel for a considerable amount of time and thus would have a fair idea about the products and services rendered by the hotel and their conformance to quality standards.

4.7   Customers' Perception of Quality at Promising Stars Hotel Ltd.

Table 4.9   Customers' rating of customer service at Promising Stars Hotel Ltd.

Variables	Rating							
	Very Good		**Good**		**Poor**		**Very Poor**	
	f	*%*	*f*	*%*	*f*	*%*	*f*	*%*
Staff relation to customers	12	30%	22	55%	6	15%	-	-
Customer service turnaround time	10	25.5%	25	62.5%	5	12.5%	-	-

Source: Researcher's field work (2016).

When customers were asked to rate the customer service experience of the hotel, a combined percentage of 85% indicated that the staff relation to customers was good. 30% of customers indicated that the staff relation to customers was very good whilst 55% maintained that it was good. 15% of respondents however said that the staff relation to customers was poor. No respondent indicated that the services was very poor.

Again, according to customers of the hotel, the customer service turnaround time was very good as reported by 25.5% of customers. 62.5% of respondents also reported that the customer service turnaround time was good whilst 12.5% indicated that it was poor. No respondent said the customer service turnaround time was very poor. On the whole, the customer service turnaround time and staff relation to customers received both positive responses from customers which is an indication that customers were happy with the level of satisfaction given to them at Promising Stars Hotel.

Customers were further asked to give a rating of the facilities of the hotel based on their own personal experiences at the hotel. The results are presented in Table 4.10.

Table 4.10   Customers' rating of hotel facilities

Facilities	Rating							
	Very Good		Good		Poor		Very Poor	
	f	%	f	%	f	%	f	%
Guest rooms	15	37.5%	24	62.5%	-	-	-	-
Food and beverage	9	22.5%	28	70.0%	3	7.5%	-	-
Conference hall	4	10%	36	90%	-	-	-	-
Gym and fitness center	12	30%	20	50%	8	20%	-	-
Swimming pool	15	37.5%	21	52.5%	4	10%	-	-
Overall products and services rating	14	35%	24	60%	2	5%	-	-

Source: Researcher's field work (2016).

A cursory look at the customers' rating of the hotel facilities at Promising Stars hotel ltd. presented in Table 4.10 shows that respondents rated all the facilities presented to them favourably. No customer rated any of the facilities of the hotel as being very poor, however a relatively small number gave a rating of poor to four out of the six facilities presented to them.

From the table, 15 out of the 40 respondents rated the guest rooms of the hotel as 'Very good' whilst 24 out of 40 respondents representing 62.5% said the guest rooms were 'good'. No respondent gave a rating of 'poor' and 'very poor' to the guest rooms indicating that the guest rooms provided at the hotel were up to standard or expectations of the customers.

Food and beverage services of the hotel also received positive rating from the customers. The data from the table indicates that 22.5% of respondents which corresponds to a frequency of nine gave a 'very good' rating to the food and beverage provided by the hotel whilst 28 out of 40 respondents which translates to 70% also gave a 'good' rating to the food and beverage of the hotel. Three people representing 7.5% were however unhappy with the food and beverage service of the hotel and therefore rated it as 'poor'.

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The positive rating of facilities of the hotel was repeated across the other facilities as, the conference hall, gym and fitness center and swimming pool received similar good acclaim from the customers. On the overall products and services rating, 14 out of 40 respondents, which translates to 35% responded 'Very good' whilst 24 out of 40, representing 60% responded that it was 'Good'. Two people representing 5% however did not see the overall products and services of the hotel as good and hence gave a rating of 'poor'. This notwithstanding, it could be seen that customers were more than averagely satisfied with the facilities, products and services of the hotel. This serves as a confirmation to the responses given by staff and management of the hotel indicating that the hotel adhered to quality management practices which helped them to provide better services and products to their customers.

Table 4.11   Customers' perception of hotel in terms of quality

Quality Perception	Yes		No	
	f	*%*	*f*	*%*
Conformance of facilities to international standards	35	87.5%	5	12.5%
Overall satisfaction with quality of service by hotel	37	92.5%	3	7.5%
Intention of continual patronage of hotel	38	95.0%	2	5.0%
Intention of recommending hotel to friends and family	37	92.5%	3	7.5%
Products and services meet expectations	34	85.0%	6	15.0%

Source: Researcher's field work (2016).

As a means of corroborating staff and management's responses further, the researcher sought customers' perception of the hotel in terms of quality and presented the results in Table 4.11. From the table, 87.5% of respondents indicated that from their personal experiences of the facilities, products and services of the hotel, the hotel conforms to international standards whilst 12.5% of respondents indicated otherwise.

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An overall satisfaction with quality of service by hotel staff was given by 92.5% of respondents with 7.5% of respondents saying that overall, they were not satisfied with the quality of services of the hotel.

Respondents affirmed their intention of continued patronage of the services of the hotel as 95% responded positively to this variable with only 5% responding negatively. This is evidence of loyalty of the customers of the hotel which is as a result of their satisfaction with the services of the hotel. Further, 92.5% of respondents indicated that they intend to recommend the services of the hotel to friends and family while 7.5% indicated otherwise. Overall, 85% of respondents intimated that the products and services of the hotel meet their expectations whilst 15% said the opposite.

4.8   Summary

Chapter four presented the data gathered from the study which were based on the objectives of the study. Analysis of the research objectives revealed that the hotel had not singled out one particular quality management technique for use in their operations. The hotel was in essence using a mix approach to quality management at the hotel which encompasses features of SERVQual, ISO 9000 and TQM quality standards. Also, it was seen that the adherence to quality management had a positive performance on hotel performance. Respondents agreed that on the whole, quality management boosted the productivity and revenue levels of the hotel, and leads to high customer satisfaction and an increase in market share of the organisation. The impact of quality management on customer satisfaction was measured with variables that both indicated hotel performance and customer satisfaction levels. Overall, it was seen that the level of guest satisfaction was impacted in a positive way to a very large extent through the adherence to quality management practices.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1   Introduction

Hotels and hospitality establishments can gain and maintain a long-term competitive edge by implementing quality management approaches that provide customers with a unique experience and satisfaction. This ultimately leads to their retention which directly translates into profitability of the organisation. Quality management practices are results oriented approaches dealing with the service characteristics that really matter to end-users.

This study aimed at determining the quality management practices that are used in the hospitality sector, with particular reference to hotels using Promising Stars hotel located in the Kumasi Metropolis as the case study. This chapter summarises the findings, brings out the conclusions from the research and makes recommendations that can help improve quality management practices in the hospitality sector in Ghana.
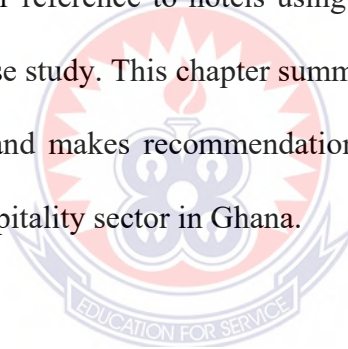
5.2   Summary of Findings

To achieve the objectives of the study, a sample of 60 respondents were selected using stratified and random sampling techniques for the administration of questionnaires. The respondents selected for the study consisted of 20 members of staff of Promising Stars Hotel and 40 customers of the hotel. The questionnaire administration yielded a 100% response rate for analysis. After an objective analysis of the results and findings with respect to the research questions, the following were the major findings that emerged:

5.2.1   Quality management practices adopted by Promising Stars Hotel Ltd.

Analysis of the first objective of the study which sought to ascertain the management practices adopted by the hospitality industry, particularly hotels with specific reference to Promising Stars Hotel revealed that the hotel had not singled out one particular quality management technique for use in their operations. The hotel was hence seen as using a mix approach to quality management at the hotel which encompasses features of SERVQual, ISO 9000 and TQM quality standards. However, the TQM approach was seen to be a bit dominating above the others as 45% of respondents indicated TQM as the quality approach used as against 20% each for ISO 9000 and SERVQual.

5.2.2   Quality Management and Hotel Performance

From the data analysed, it was seen that the adherence to quality management had a positive performance on hotel performance. Respondents however indicated that ensuring quality management increased the hotel's cost of operations. This notwithstanding, respondents agreed that on the whole, quality management boosted the productivity and revenue levels of the hotel, leads to high customer satisfaction and an increase in market share of the organisation. Also, 50% of respondents indicated that the quality management approach adopted by the hotel led to an increased growth rate amongst earning a positive word of mouth from customers and gaining international recognition.

5.2.3   Impact of quality on customer satisfaction at Promising Stars Hotel Ltd.

The impact of quality management on customer satisfaction was measured with variables that both indicated hotel performance and customer satisfaction levels. Overall, it was seen that the level of guest satisfaction was impacted in a positive way to a very large extent through the adherence to quality management practices. This was evidenced by variables such as

guests' willingness to return to the hotel for repeat visits and recommending the hotel to others. Customers themselves attested to this fact as they rated intangibles like staff relation to customers and customer service turnaround time as generally good. Also customers gave positive ratings to tangible facilities of the hotel such as guest rooms, food and beverage, conference hall, gym and fitness center and the swimming pool and further indicated their intention to continue patronage of the hotel and to recommend it to friends and family.

5.3   Conclusions

From the data obtained from the study which were subsequently analysed, the following conclusions can be made on the impact of quality management on hospitality establishments, particularly the hotel industry:

- Due to the varied nature of services and multiplicity of products provided by hospitality establishments, one cannot adhere to one single quality management approach as was the case of Promising Stars Hotel Ltd. The hotel used a mix of approaches to achieve their quality management aspirations.
- As supported by literature, the long-term benefits of implementing quality management far outweigh the initial high cost of quality. It was seen that the implementation of quality management impacts the performance of hotels positively in terms of profits. This is because guests and customers were willing to repeat patronage to the hotels when they observe quality.
- The hotel received positive quality ratings from their customers which translated to customer satisfaction from guests.

5.4   Recommendations

Notwithstanding all the remarkable impact of quality management on customer satisfaction and hotel performance in the hospitality industry, the researcher believes that more can still be done to increase these impacts. Based on the major findings of the study, the following recommendations are made to help management and staff of Promising Stars Hotel Ltd and the general hospitality sector to remain competitive and profitable in the business.

i.   On the basis of rating some facilities like the swimming pool, gym site, conference room and food and beverage, the researcher found that there is more room for improvement. Therefore, the researcher suggests that management of the hotel should seek customers' opinions to improve such facilities. Similarly, management should also brainstorm and solicit for professional ideas from professional bodies on improving such facilities.

ii.   The researcher suggests that management should improve the customer-employee relations. It was observed that the relationship was there but was not so strong. What management should do is to open up to customers and make them feel at home. Again, employees should see customers as first priority and treat them as such in all aspects of the business.

iii.   It is suggested again that management should make it a policy to conduct a customer survey once in every three months so as to gather inputs that would enhance value to both customers and staff of the hotel.

5.5   Directions for Further Research

This study investigated into the quality management practices of the hospitality industry using only one hotel as a case study. As a suggestion to future researchers, a comparative

study could be done on the same issues with different hotel categories according to the star rating of the hotels. Also, a similar study could be conducted but with a wider scope so as to make the findings applicable to a larger extent.

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APPENDIX

UNIVERSITY OF EDUCATION, WINNEBA – KUMASI CAMPUS

QUESTIONNAIRE FOR CUSTOMERS

This questionnaire is part of a study on the topic "Quality Management for Improved Performance in the Hospitality Industry: A Case Study at Promising Stars hotel in Kumasi". Information gathered from you will be treated as confidential and for academic purpose only. Thank you. Please tick [√] in the spaces provided against the option that best indicates your answer to the questions.

SECTION A: Demographic Information
1. Sex:
   a) Male   [ ]
   b) Female   [ ]

2. Age (in years)
   a) Below 25   [ ]
   b) 26 – 30   [ ]
   c) 31 – 39   [ ]
   d) 40 – 49   [ ]
   e) 50 – 59   [ ]
   f) 60 and above [ ]

3. Educational level:
   a) B.E.C.E./Middle School   [ ]
   b) W.A.S.S.C.E/S.S.S.C.E/ 'O' Level/ 'A' Level [ ]
   c) Tertiary (Certificate, Diploma, HND)   [ ]
   d) Graduate(1st Degree)   [ ]
   e) Post-Graduate   [ ]

4. How long have you been patronising Promising stars hotel?
   a) This is my first time   [ ]
   b) Less than a year   [ ]
   c) 1 – 2 years   [ ]
   d) 3 – 5 years   [ ]
   e) 6years and more   [ ]

SECTION B: QUALITY MANAGEMENT PRACTICES OF THE HOTEL

5. How does the staff of the hotel relate to you as a customer?

   Very good [ ]   Good [ ]   Poor [ ]   Very Poor [ ]

6. Are you treated well by the staff and management of the hotel?

   Yes   [ ]   No [ ]

7. How will you rate the customer service turnaround time of the hotel?

   Very good [ ]   Good [ ]   Poor [ ]   Very Poor [ ]

8. Do the products and services meet your expectations?

   Yes   [ ]   No [ ]

9. How will you rate the services and products of the hotel?

   Very good [ ]   Good [ ]   Poor [ ]   Very Poor [ ]

10. How would you rate the facilities of the hotel?

Facilities	Rating			
	Very good	Good	Poor	Very poor
Hotel rooms				
Food and beverage				
Conference hall				
Gym and fitness site				
Swimming pool				

11. Does the facilities, products and services of the hotel conform to international standards?

    Yes   [ ]   No [ ]

12. Do you intend to continue patronising the hotel?

    Yes   [ ]   No [ ]

13. Overall, are you satisfied with the quality of service rendered by the hotel?

    Yes   [ ]   No [ ]

14. Would you recommend the hotel to friends and family?

    Yes   [ ]   No [ ]

UNIVERSITY OF EDUCATION, WINNEBA – KUMASI CAMPUS

QUESTIONNAIRE FOR STAFF (MANAGEMENT AND OPERATIONAL)

This questionnaire is part of a study on the topic "Quality Management for Improved Performance in the Hospitality Industry: A Case Study at Promising Stars hotel in Kumasi". Information gathered from you will be treated as confidential and for academic purpose only. Thank you. Please tick [√] in the spaces provided against the option that best indicates your answer to the questions.

SECTION A: SOCIO-DEMOGRAPHIC DATA

1. Sex:
   a) Male   [ ]
   b) Female   [ ]

2. Age (in years)
   a) Below 25   [ ]
   b) 26 – 30   [ ]
   c) 31 – 39   [ ]
   d) 40 – 49   [ ]
   e) 50 – 59   [ ]
   f) 60 and above [ ]

3. Educational qualification:
   a) B.E.C.E./Middle School   [ ]
   b) W.A.S.S.C.E/S.S.S.C.E/ 'O' Level/ 'A' Level [ ]
   c) Tertiary (Certificate, Diploma, HND)   [ ]
   d) Graduate   [ ]
   e) Post-Graduate   [ ]

4. Section/Department of work
   a) Management   [ ]
   b) Housekeeping   [ ]
   c) Front Office   [ ]
   d) Kitchen staff   [ ]
   e) Service (Waiter/Attendant) [ ]

5. What position do you hold in this hotel?

……………………………………………………..

6. How long have you worked with this hotel?

a) Less than a year [ ]

b) 1 – 2 years   [ ]

c) 3 – 5 years   [ ]

d) 6 – 10 years   [ ]

e) above 10yrs   [ ]

SECTION B: QUALITY MANAGEMENT AND HOTEL PERFORMANCE

7. Do you have a quality assurance policy or programme for the hotel?

Yes   [ ]   No [ ]

8. If yes, please state these policies:

…………………………………………………………………………………………

…………………………………………………………………………………………

9. How do you solve problems when they are encountered:

Management alone   [ ]

Employees alone   [ ]

Management and employees [ ]

10. Does the hotel appraise quality of products/services and customer satisfaction?

Yes [ ]   No [ ]

11. How often does the hotel embark on quality management appraisal?

When problems arise [ ]

Every three months   [ ]

Every six months   [ ]

Yearly   [ ]

Other, please specify:………………………………………………..

12. How quickly are customer complaints resolved?

Immediately   [ ]

One day   [ ]

One week   [ ]

Other, please specify:…………………………………………………..

13. How has quality management affected the hotel?

International recognition   [   ]

Increased growth rate   [   ]

Earned positive word of mouth   [   ]

Reduction in profit margin   [   ]

14. Would you say that the hotel is quality oriented in service to customers?
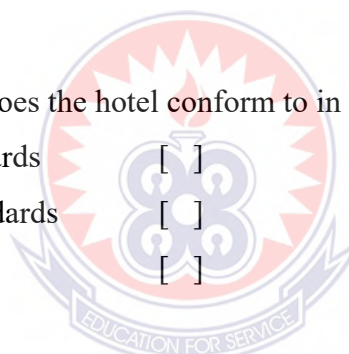
Yes [ ]   No [ ]

15. What quality standards does the hotel conform to in its operations?

International level standards   [ ]

National/local level standards   [ ]

Hotel level standards   [ ]

16. Suggest how quality of services and products can be improved in the hotel.

…………………………………………………………………………………..

Indicate the extent to which you agree to the following quality related statements.

Key: SA = Strongly agree, A = Agree, N = Neutral, D = Disagree, SD = Strongly disagree.

SN	Statement	SA	A	N	D	SD
17	Ensuring quality management reduces cost of operation					
18	Quality management leads to customer satisfaction and loyalty					
19	Quality management leads to high productivity and revenue for the organisation					
20	Quality management leads to increase in market share of the organisation					

Please indicate the extent to which the Quality Management Practices adopted by the hotel has impact the following;

Scale: 5 = Very large extent, 4 = Large extent, 3 = Moderate extent, 2 = Small extent, 1 = Not at all.

SN	Statement	VLE	LE	ME	SE	NA
21	Level of guest satisfaction					
22	Willingness of guests to return					
23	Willingness of guests to recommend hotel to others					
24	Hotel occupancy rate					
25	Food and beverage costs efficiency					