



Quality management practices and maintenance of Quality: A study on various aspects considered by the managers of Nepalese Hotels

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Abstract

Management of hotel is a complex activity and the managers have to consider many aspects before they arrive at the decision for selecting the policies which have to be adopted. The main purpose of this study is to identify the aspects which are considered by the managers of the hotels which are operating in Nepal. In order to undertake this study, the responses regarding various aspects of hotel quality management were collected on a seven point scale from the managers of 129 hotels of Nepal. For analyzing the responses collected, Principal Component analysis was used. This study is novel in itself as no such study had previously been undertaken for studying the practices of quality management in the hotels operating in Nepal and is an original contribution by the researcher for the improvement of services which are being provided by the operators in one of the most important industry for Nepal.

Keywords: hotel industry, quality, quality management practices

Introduction

Management of any organization is a difficult activity as there are many aspects which have to be kept in mind before deciding the policies which are to be adopted. The managers of the hotels also have to consider many aspects. The present study is undertaken for the purpose of identifying such aspects which are taken into consideration by the managers of the hotels. This study was undertaken with two objectives which are as under:

1. To understand the various aspects of quality management considered by the managers of Nepalese Hotels
2. To classify these aspects of quality management for identifying the areas where the managers of Hotels in Nepal concentrate for maintenance of the quality of the services provided by them.

For studying the aspects which are considered by the managers for effective management of their hotel, responses regarding the various aspects of hotel quality management were collected from the managers of 129 hotels of Nepal were collected. For undertaking the analysis, Principal Component analysis was used for identifying the factors which were considered by the managers of the hotels of Nepal. In order to achieve its objectives this paper is divided into five sections: literature review, methodology of the study, Analysis and discussion, Findings and lastly Conclusion.

Literature review

For understanding the various areas which were considered by the managers of the hotels, a literature review was undertaken. According to a study undertaken by Harrington and Akehurst (1996) ^[1], it was found that majority of the guests visiting the hotels were of the view point that being quality driven meant listening intently to customer requirements and developing strategies to consistently meet their demands of the organization.

In another study undertaken by Mok and Armstrong (1998) ^[2], it was found that for creation of reliable services and custom oriented corporate culture, creation of inspired leadership and excellent service system design and effective use of information technology is required. Moreover, the top management's commitment to service reliability should be communicated to employees of all levels as well as supported by systematic training and reward system.

As employees of the hotel are the ones providing services, Cesarotti and Spada (2009) ^[3] found that concepts such as employees' empowerment, ownership, and continuous improvement along with systematic implementation of quantitative methods build the organizational basis for attaining operational excellence in services and reduced costs which in turn would increase the service quality.

According to the findings of the study undertaken by Hung and Lin (2012) ^[5], they suggested that systematic management as well as development of employees who report to higher authority is required would help the hotel to maintain their service quality and increase customer satisfaction. Further, a sense of responsibility as well as organizational citizenship behaviour would ensure that the services delivered are according to the expectations of the customers.

A clear organizational goal is one of the ways in which success of the hotel can be ensured. Mokaya *et al.* (2013) ^[6] found that when the hotels had clear goals and objectives which were well communicated and understood helped the employees to remain focused and work towards the achievement of the targets which were set for them.

Passing on the information related to various aspects of the hotel to all the interested parties plays a major role in maintaining the quality of the services which are provided by the hotel. Oltean *et al.* (2014) ^[7] found that the hotels should take into consideration improvement of information technology that serves the hotel industry. They also found that the managers of the hotels should consider

improvement in Information Technology for achieving customers' satisfaction and implicitly favourable economic results. Santoro (2015) [8] suggested that in hotel industry TQM approach should be implemented and further added that the hotels should adopt a market oriented approach. According to them, this could help the managers of the hotel to design and offer a service mix that is perceived of being superior quality which would enhance the hotel performance. In the similar lines, Stefano *et al.* (2015) [9] suggested that superior performance in services strengthens competitiveness and establishes a relationship with the customer, consolidating the brand and communication with the market.

Research Methodology

Population and Sample of the study

The managers of the various hotels operational in Nepal was considered to be the Population of the study and the out of these hotels which were working in Nepal, 129 hotels were considered and the opinion of the managers about the various aspects of management of hotels were sought from them.

Time period of the study

The opinions of the managers of the selected hotels were collected between the months of April and May 2019.

Methodology of analysis

The following are the Aspects of quality management on certain h the opinion of the mangers of the hotels was sought using a seven point scale wherein 1 indicated that they strongly disagreed with the given statement and 7 indicated that they strongly agreed with the given statement.

1. The management of the hotel provides necessary financial resources to implement the quality management related practices
2. The hotel has an established quality planning process
3. The hotel results (such as average occupancy and average daily rate, market share overall revenue and cost) are evaluated by comparing them to planned results
4. All hotel departments are involved in quality management related activities
5. The hotel holds monthly meetings for employee from different departments to discuss quality related suggestions
6. The hotel implements most employees' quality related suggestions
7. The hotel departments managers create a work environment that encourages employee to perform to the best of their abilities
8. The hotel is in contact with customers to be updated about their requirements
9. The hotel is in contact with customers to update them about the new product
10. The hotel considers the customer requirements in the product design process
11. The hotel top management studies results of customer satisfaction surveys
12. The hotel has an effective process for resolving customer complaints in a timely manner
13. The hotel strives to establish long-term relationships with high reputation suppliers
14. The hotel provides suppliers with a clear specification of the required products

15. The hotel considers supplier capabilities in the product design process
16. The hotel displays quality data (defects and errors rates; control charts) at most of the departments
17. The hotel uses quality data to evaluate employee performance
18. The hotel displays the progress towards quality related goals
19. The hotel employees receive standardized instructions about their tasks
20. The hotel uses preventive maintenance system

In order to undertake the analysis, factor analysis using principal component analysis was used to identify the various aspects which were considered by the managers of the hotels under the study for maintaining the quality of the services offered by them. For finding out if the data collected was adequate for undertaking principal component analysis, KMO and Bartlett's tests was used. If the result of the KMO test was more than 0.9, it indicates that the sample size was adequate for undertaking principal component analysis. Further, if the p value of the Bartlett's Test of Sphericity was less than 0.05, then the correlations between the various items which were considered were sufficiently large which again would suggest that the Principal Component analysis could be undertaken. The Scree plot was used to identify the possible number of components which could be derived. The number of components which would be derived would be based on where the point of inflection is observed on the Scree Plot. For extracting the factors, Eigenvalues was used as a criteria. Components with Initial Eigenvalues of more than 1.000 were extracted. Then on the basis of this, the items of hotel management were classified according to the components on which they had the highest loading. On the basis of the factor loading, the components derived and the items which were loaded on them, the components were given appropriate labels. The next section described in detail the results of the analysis that was undertaken.

Analysis and Discussion

In order to test whether the data is adequate for undertaking the principal component analysis, KMO and Bartlett's test was undertaken. The KMO test, as presented in Table 1, for measuring sampling adequacy had a value of 0.918 which was more than 0.9 which is considered as adequate for undertaking the principal component analysis (Field, 2009). Further, the Bartlett's Test of Sphericity $\chi^2(190) = 1912.459$ and $p=0.000$ indicated that the correlations between the various items which were considered were sufficiently large which suggested that the Principal Component analysis could be undertaken.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.918
Bartlett's Test of Sphericity	Approx. Chi-Square	1912.459
	df	190
	Sig.	.000

When the Scree plot as indicated below indicated that there were four possible components which could be extracted as the point of inflection was observed at the fourth point. For confirming that only four factors could be extracted, the Kaiser's criterion of extracting factors having eigenvalues of

over 1 was considered. The results of the Initial eigenvalues, Extraction Sums of Squared Loadings and Rotation Sums of

Squared Loadings are presented in Table 2.

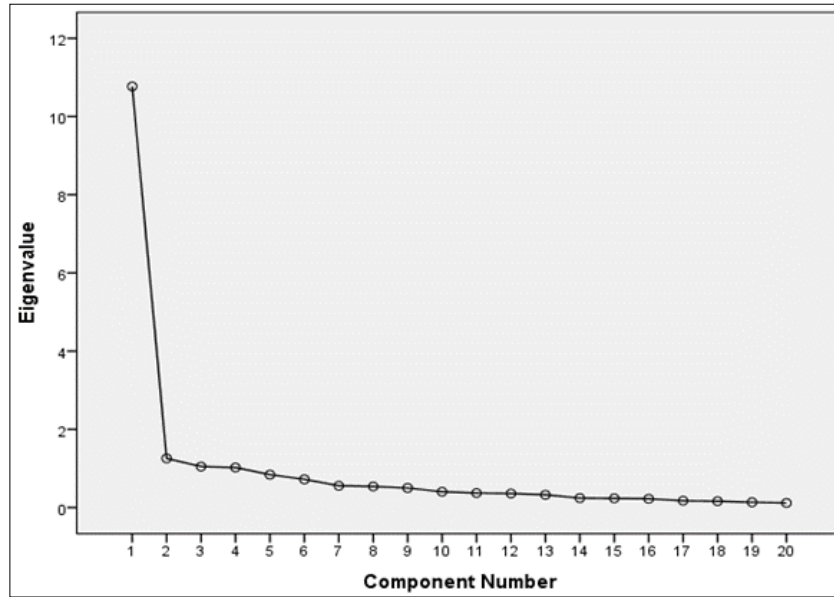


Fig 1: Scree plot for finding out number of factors which could be extracted

Table 2: Initial Eigenvalues, Extraction Sums of Squared Loadings and Rotation Sum squared Loading for the Components to be extracted

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sum squared Loading		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.770	53.850	53.850	10.770	53.850	53.850	4.750	23.752	23.752
2	1.257	6.287	60.137	1.257	6.287	60.137	3.698	18.488	42.240
3	1.049	5.245	65.382	1.049	5.245	65.382	2.918	14.592	56.832
4	1.023	5.115	70.497	1.023	5.115	70.497	2.733	13.665	70.497
5	.840	4.202	74.699						
6	.721	3.607	78.306						
7	.557	2.785	81.091						
8	.538	2.692	83.783						
9	.500	2.501	86.284						
10	.403	2.016	88.300						
11	.370	1.852	90.153						
12	.358	1.792	91.945						
13	.325	1.624	93.569						
14	.242	1.209	94.778						
15	.236	1.179	95.957						
16	.223	1.113	97.070						
17	.174	.871	97.941						
18	.161	.804	98.745						
19	.135	.673	99.418						
20	.116	.582	100.000						

According to the results which are presented in Table 2, there are four components which have eigenvalues which were more than 1 and as a result, on the basis of this, four

factors were extracted and were retained for the final analysis. The factor loading after rotation are presented in Table 3.

Table 3: Summary of Exploratory Factor analysis undertaken with the help of Principal Component Analysis

	Component			
	1	2	3	4
The hotel strives to establish long-term relationships with high reputation suppliers	.735			
The hotel has an effective process for resolving customer complaints in a timely manner	.694			
The hotel departments managers create a work environment that encourages employee to perform to the best of their abilities	.687			
All hotel departments are involved in quality management related activities	.678			
The management of the hotel provides necessary financial resources to implement the quality management related practices	.665			
The hotel provides suppliers with a clear specification of the required products	.656	.448	.432	
The hotel is in contact with customers to be updated about their requirements	.641			

The hotel has an established quality planning process	.569		
The hotel results (such as average occupancy and average daily rate, market share overall revenue and cost) are evaluated by comparing them to planned results	.473		
The hotel displays the progress towards quality related goals		.766	
The hotel displays quality data (defects and errors rates; control charts) at most of the departments		.749	
The hotel uses quality data to evaluate employee performance		.724	
The hotel employees receive standardized instructions about their tasks		.682	.526
The hotel uses preventive maintenance system		.521	.455
The hotel considers the customer requirements in the product design process			.772
The hotel top management studies results of customer satisfaction surveys			.713 .415
The hotel considers supplier capabilities in the product design process		.445	.684
The hotel holds monthly meetings for employee from different departments to discuss quality related suggestions		.405	.715
The hotel implements most employees' quality related suggestions			.553 .672
The hotel is in contact with customers to update them about the new product	.449		.574

Note: Method of Extraction: Principal Component Analysis; Method of Rotation: Varimax with Kaiser Normalization; Rotation converged in 19 iterations

According to the results which are presented in Table 3, the items which cluster on Component 1 represent the way in which the managers manage the processes which are undertaken in the hotel, Component 2 regarding the management of Employees, Component 3 regarding the focus on customers and component 4 regarding the quality maintenance practices adopted by the hotel managers.

Findings and Discussion

The following are the major findings of the study:

1. According to the responses given by the managers of the hotels in Nepal, the aspects such as provision of financial resources to implement the quality management related practices, establishment of quality planning process, evaluation of overall hotel performance, involvement of all hotel departments in quality management related activities, work environment for providing encouragement to employee to perform to the best of their abilities, contacting the customers for updating the information about their requirements, effective mechanisms for solving complaints of customers and establishment of long-term relationships with high reputation suppliers were classified as one Component. As all of these activities are concerned with management of the working process of the hotel, this component was labeled as Process management. Santoro (2015) [8] advocated that TQM approach should be implemented and further added that the hotels should adopt a market oriented approach. These findings also support the study undertaken by Stefano *et al.* (2015) [9] wherein he suggested that that superior performance in services strengthens competitiveness and establishes a relationship with the customer, consolidating the brand and communication with the market. As these aspects are concerned with the overall processes which are undertaken for maintenance of the quality of the services in the hotel, it is important that the managers of the hotel concentrate their efforts towards these aspects.
2. The displays quality data at the departments of the hotel, usage of quality data for evaluation of employee performance, display of the progress towards quality related goals and giving standardized instructions about

3. The third component included the consideration given by the managers for customer requirements in product designing, studying results of customer satisfaction surveys, providing clear specification of the required products to the hotel suppliers and consideration of supplier capabilities in the product design process. As these aspects are concerned with product designing and the focus on the requirements of the customers, this component was labeled as Focus on Customers. According to Harrington and Akehurst (1996) [1] being quality driven meant listening intently to customer requirements and developing strategies to consistently meet their demands. So this component is important for the managers for maintaining the quality of the services.
4. The aspects included in the last component were concerned with the Quality Maintenance Practices of the Hotel. The aspects included in this component included holding monthly meetings for employee from different departments to discuss quality related suggestions, implementation of suggestions given by the employees about quality of the services, contacting the customers for giving updates regarding new products offered by them and usage of preventive maintenance system. According to Mokaya *et al.* (2013) [6] and Oltean *et al.* (2014) [7] communication is an important aspect for ensuing that the goals set by the management are communicated effectively to the employees. This helps the employee as well as all the parties involved to work towards the realization of common goals which have been established by the management. The table 4 summarises above findings as to which aspects are covered in the respective component.

Table 4: Summary of the aspects and the component in which they are included

Component 1	Component 2	Component 3	Component 4
Process management	Management of Employees	Focus on Customers	Quality Maintenance Practices
The management of the hotel provides necessary financial resources to implement the quality management related practices	The hotel displays quality data (defects and errors rates; control charts) at most of the departments	The hotel considers the customer requirements in the product design process	The hotel holds monthly meetings for employee from different departments to discuss quality related suggestions
The hotel has an established quality planning process	The hotel uses quality data to evaluate employee performance	The hotel top management studies results of customer satisfaction surveys	The hotel implements most employees' quality related suggestions
The hotel results (such as average occupancy and average daily rate, market share overall revenue and cost) are evaluated by comparing them to planned results	The hotel displays the progress towards quality related goals	The hotel provides suppliers with a clear specification of the required products	The hotel is in contact with customers to update them about the new product
All hotel departments are involved in quality management related activities	The hotel employees receive standardized instructions about their tasks	The hotel considers supplier capabilities in the product design process	The hotel uses preventive maintenance system
The hotel departments managers create a work environment that encourages employee to perform to the best of their abilities			
The hotel is in contact with customers to be updated about their requirements			
The hotel has an effective process for resolving customer complaints in a timely manner			
The hotel strives to establish long-term relationships with high reputation suppliers			

Conclusion

Management of any organization is a difficult activity as there are many aspects which have to be kept in mind before deciding the policies which are to be adopted. The present study is undertaken for the purpose of identifying such aspects which are taken into consideration by the managers of the hotels. There were two major objective for undertaking this study. The first objective was to understand the various aspects of quality management considered by the managers of Nepalese Hotels and the second objective was to classify these aspects of quality management for identifying the areas where the managers of Hotels in Nepal concentrate for maintenance of the quality of the services provided by them.

For this, the responses regarding the various aspects of hotel quality management were collected from the managers of 129 hotels of Nepal were collected between April and May 2019. The managers were asked to give their response on a seven point scale on twenty statements which were concerned with various aspects of quality management of the services provided by the hotels. In order to undertake the analysis, Principal Component analysis was used for identifying the factors which were considered by the managers of the hotels of Nepal.

After undertaking the analysis, four components were derived. The aspects which clustered in component 1 represented the way in which the managers manage the processes which are undertaken in the hotel, Component 2 regarding the management of Employees, Component 3 regarding the focus on customers and component 4 regarding the quality maintenance practices adopted by the hotel managers.

This study would help the managers to identify the areas in which more concentration is required by them for enabling them to improve the quality of overall services offered by them. It would also help them to develop a standardized policy for addressing the issues that they might be facing in these areas which have been considered by the researcher.

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