

# QUALITY PRACTICES IMPLEMENTATION IN MALAYSIAN HOTELS: THE MANAGEMENT PERSPECTIVE

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## ABSTRACT

*The purpose of this study is to explore Malaysian hotel general managers (HGMs) or quality executives' (HQEs) experiences in implementing Total Quality Management (TQM) practices. Specifically, this study aims to understand the benefits of applying TQM practices, challenges faced during the implementation process, and strategies or success factors in implementing TQM. Individual interviews will be conducted with HGMs or HQEs, currently or previously responsible for quality programs at three, four, and five star rated hotels located in the nation's central region. Findings on benefits, challenges, and strategies or critical success factors will provide quality management best practices for use as benchmarks by other hoteliers. Additionally, this study will provide practical solutions to help hoteliers better organize, strategize and utilize their resources in ensuring the success of quality management programs.*

**Keywords:** *Benefits, challenges, hotel industry, Malaysia, quality implementation, strategies, total quality management*

## INTRODUCTION

The hotel industry in Malaysia plays an important role in supporting the nation's tourism industry and economy. In 2008, MYR49.6 billion [approximately USD14.2 billion] (Tourism Malaysia, 2008) from tourists was recorded, with 31.2% of the total tourist expenditures coming from travel accommodations (Euromonitor International, 2009). Malaysian hotels accommodated 68,886,154 guests in 2008 and had an average occupancy rate of 66%. The number of rooms supplied during 2008 increased by 3.4% (total of 165,739 rooms), while the number of hotels increased by 0.6% (total hotels 2,373) as compared to 2007 data. The increasing numbers of rooms and hotels present challenges for hoteliers in attracting guests away from their competition. In addition to aggressive marketing efforts, correct implementation of Total Quality Management (TQM) practices could enhance the quality of products/services delivered and enable hotels to remain competitive.

The emphasis on TQM in the hospitality industry has been evidenced by many studies. Some investigated TQM implementation and strategies (Narangajavana & Hu, 2008; Yang, 2006), the relationship between quality management and business results (Camison, Flor, Cruz, & Kuster, 1996; Sila & Ebrahimpour, 2003), service quality (Lau, Akbar, & Fie, 2005) and customer satisfaction (Poon & Low, 2005; Sit, Ooi, Lin, & Chong, 2009). Studies were also

carried out to explore the benefits, challenges and success factors of TQM (Black & Porter, 1996; Evans, 1996; Geraedts, Montenarie, & Rijk, 2001; Harari, 1997; Idris, McEwan, and Balavendram, 1996; Keating & Harrington, 2003; Krasachol & Tannock, 1999; Lau & Idris, 2001; Miller & Cangemi, 1998; Sohal & Terziovski, 2000; Tamimi & Sebastianelli, 1998).

Few studies have been conducted using a qualitative approach to more deeply understand these issues, particularly in the Malaysian hotel industry. Malaysia is one of the most diverse countries in terms of ethnicity, religion, spirituality, language, and culture (Malaysia Info, 2009). Therefore, Malaysian hoteliers have unique challenges when developing quality systems to accommodate the diverse workforce and improve the current quality practices. Additionally, using data from the Globe project, Kennedy (2002) reported that Malaysian managers recognized that a participative leadership style was better for effective leadership. However, in practice, the authoritarian leadership style was practiced most. This situation requires top management to better understand quality concepts, potential benefits, challenges, and success factors for ensuring that the quality system is practiced effectively by everyone in the organization and gives added value to customers. Failing to do so could hinder top management's ability to articulate instructions to employees. This, consequently, could lead to conflicts and other potential problems such as not gaining employees' full commitment and participation.

Due to the above mentioned reasons, this study is proposed to understand TQM practices in the Malaysian hotel industry. The objectives of the study are: (1) to explore benefits of applying TQM practices, (2) to understand challenges encountered during the implementation of TQM practices, and (3) to identify strategies or critical success factors applied in Malaysian hotels.

## **LITERATURE REVIEW**

TQM is defined as a "management approach that places emphasis on continuous process and system improvement as a means of achieving customer satisfaction to ensure long-term company success" (Summers, 2006, p. 16). The foci and concepts of TQM have changed since the concepts were introduced by quality experts such as Deming, Juran, Crosby, Fageinbaum, and Ishikawa. The focus evolved from product quality to value added products or services (Godfrey, 1998). Mainly practiced in manufacturing companies at first, the widespread use of TQM has impacted the service industry. The impact can be seen by the increasing numbers of studies conducted, particularly in the hotel and tourism industry. The unpredictable changes in customers' preferences, the existence of new tourists' destinations, the competitiveness of the market, changes, the threat of unstable manpower due to globalization, and the changes in demographic, economic, as well as technological evolutions, require organizations to increase their quality management efforts to obtain and retain customers (Buciuniene & Skudiene, 2008; Camison, Flor, Cruz, & Kuster, 1996; Summers, 2006).

Researchers found that TQM programs enhance organizational performance in terms of operational as well as financial aspects; improve employees' teamwork, morale, and work attitude; increase customer satisfaction; and achieve competitive advantages (Geraedts et al., 2001; Idris et al., 1996; Karia & Assari, 2006; Peng, 2000; Sit et al., 2009; Sohal & Terziovski, 2000). However, TQM also produces several challenges that discourage or impede its adoption by some organizations. Among the main challenges highlighted by previous researchers were:

lack of top management commitment and understanding of TQM, inadequate training of employees to implement TQM, inappropriate attitudes toward TQM by the top management and employees, inadequate resources, unclear measurement of the TQM effects, and too much dependence on external consultants (Harari, 1997; Idris et al., 1996; Miller & Cangemi, 1998; Tamimi & Sebastianelli, 1998).

The result of TQM's success is not immediate and may require a longer period of time for achievement. Strategies or critical success factors must be identified and continuously reviewed to ensure TQM programs are always relevant and effective. Most of the researchers indicated that commitment from top management, involvement of all employees, adequate training for employees and sufficient resources are vital for a successful TQM implementation (Black & Porter, 1996; Evans 1996; Keating & Harrington, 2003; Krasachol & Tannock, 1999; Lau & Idris, 2001; Sohal & Terziovski, 2000).

## **METHODS**

This study will be conducted in three, four, and five star hotels in Malaysia that have been operating for at least one year and have a minimum occupancy rate of 60%. The central region, which consists of Kuala Lumpur, Selangor and Putrajaya, will be chosen as this region has the most three, four, and five star hotels.

A purposeful sample will be derived from the Malaysian Association of Hotels (MAH) Directory. Currently, there are 96 hotels in this region (36 – five star hotels, 27 – four star hotels, and 33 – three star hotels) (MAH, 2007). All HGMs or HQEs will be contacted via telephone and asked to participate in a face-to-face interview. At least 10 in-depth interviews, with the HGM or HQE who is currently or was previously responsible and familiar with the hotel's quality programs, will take place. Interviews will continue if new themes continue to emerge from the data. The interviews will be comprised of semi-structured and open-ended questions. The questions will address the HGMs/HQEs' perceptions on the benefits received, challenges or barriers encountered, strategies used, or success factors for implementing quality programs at their hotels. Demographic information will also be obtained. The interview questions will be checked by experts prior to use.

All interviews will be audio taped and field notes will be taken by the researcher to augment the audio taped interviews. Audiotapes will be transcribed, reviewed and analyzed. The data will be hand coded and analyzed for themes. Respondents will be sent a copy of the interview transcripts, via e-mail, to complete the member checking process, thereby increasing the trustworthiness (validity) of the data (Creswell, 2008).

## **CONCLUSIONS/LIMITATION**

This study will produce practical solutions and findings that are applicable to the betterment of quality practices in the Malaysian hotel industry. Knowing the benefits that could be obtained will help the management team motivate their employees in employing and deploying quality management practices. Recognizing the challenges will assist the management team with strategies for overcoming potential obstacles; which also helps to reduce cost, time

and energy. Additionally, by knowing the appropriate strategies or critical success factors, management teams can better use their strengths, address their weaknesses, and understand how to maximize resource utilization.

This study will be unique as it tries to more deeply understand hoteliers' experience in implementing quality in three, four, and five star hotels. It will contribute to the body of literature in both hospitality and quality management areas. Previous studies in these areas barely address this issue, particularly in the Malaysian hotel setting. This study will also provide theoretical contributions to the education field. The findings can be used by academics when teaching hospitality students. It will also offer an avenue for potential future research.

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