

## Total Quality Management and Performance in the Hotel Industry

Corina Aurora Marin (Barbu)

Valentina Irena Tudoran (Niculiță)

*The Bucharest University of Economic Studies, Romania*

[coribaru@yahoo.com](mailto:coribaru@yahoo.com)

[irena.niculita@yahoo.com](mailto:irena.niculita@yahoo.com)

### Abstract

*With the development of the society, the concerns within the organizational management also intensified, this being cataloged as a specific form of intellectual work that holds a well-defined function based on an important fund, in a continuous growth, of specific knowledge. Management knowledge has thus become indispensable for the management of any business, regardless of its form or size.*

*Quality represents within the quality management system a very important competition factor or most often the most important. Quality must be found both in the production process and in the services offered. In this sense, the quality management system includes the implementation of activities that aim to optimize the use of existing resources to achieve the proposed objectives. This is a large and complex system, which includes activities of coordination, organization, planning, control and, of course, quality assurance.*

**Key words:** quality management, tourism, hotel industry

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### 1. Introduction

Conditioned by a fierce competition, products and services quality has become the fundamental factor for the survival of the market, the profitability and the total economic development of a country, especially for specific fields of activity and types of companies. The modern business strategy is based on the control intention of the product and service quality. Today's quality is not manufactured, but used as a management tool.

Total quality management (TQM) is a system that guarantees a stipulated quality. Therefore, quality is the result of a TQM system defined for specific activities, both for the company, and for specific tasks and activities within the company.

TQM methods and techniques can be applied in all organizations - in manufacturing processes, in services and public services, law enforcement, education and others. More than ever, TQM is accepted and becomes a way of thinking and a way of life. Thus, a total quality management system, not only it can be used in the hotel industry, but it is absolutely necessary.

The tourist product is the aggregate of different products and services: hotels, restaurants, transport, shops, cultural institutions and others. Additional factors are the local population and economy. It is necessary to define an objective for all these factors - the constant intention of the quality. The tourists, as end users of the tourist services are also heterogeneous. All these elements make it very difficult to interpret a single definition for the quality of the tourist product - quality management being a very complicated task.

Therefore, the service sector took TQM from the production sector and adapted it to the characteristics of the tourism and hotel industry, based on the example of the manufacturing sectors, and obtained very good results. The services sector has adopted the rule of activity according to which productivity, quality and profit constitute a whole, used for the improvement and development of quality tourism services.

## 2. Literature review

Total quality management is considered as an integration of the different processes that characterize the behavioral dynamics of an organization. For this, an organization is called a total (socio-technical) system, in which all the activities carried out are oriented towards satisfying the requirements of the clients with efficiency and effectiveness. Zaire and Simintiras supported this view by stating that total quality management is a combination of the socio-technical process to do the right things (externally), everything correct (internally) permanently, with the economic viability taken into account at each stage of each process.

The meaning of the quality concept has evolved from its association with production to management. Nowadays, TQM is a trendy concept and can be defined in various ways. TQM is a developing and improving flexibility and efficiency system. In the quality management system there are included all the employees and all activities from those of effective work, to the highest levels of management. TQM aims to ensure and create conditions in which all employees, through a common effort, fully and effectively achieve a single objective: when, where and how to produce a product or to provide a service to the buyer and consumer. Thus, TQM integrates strategy, efficiency and process efficiency, teamwork and delegation of responsibility and decision-making to deliver the highest quality product or service, in order to satisfy the consumer's requirements.

Quality management brings together all forms of existing business techniques, in order to improve business performance and all professional knowledge and material means are directed to the permanent improvement of all processes, using all available human and material resources.

Total quality management has been used in the tourism industry for years and many hotels worldwide use a quality management system to develop their products and services. The hotels reached the conclusion that, implementing the quality procedure is a vital component for the total quality management.

Total quality management was first used in the hotel industry when the Quality Assurance (QA) was introduced in the 1980s. Specifically, quality management implementation in the hospitality industry began in 1982, when the American hospitality industry implemented the QA Systems and achieved excellent results. Thus, quality knows a particular importance in the hospitality industry.

Total quality management in hotels is implemented to provide better services to the customers, who are very careful in their choices when paying for the services offered. In order to stay on the market, hoteliers are preparing a strategy for their future projects and judiciously using the current resources for future growth.

Quality is of particular importance in the hospitality industry. Over the last decade more and more hospitality organizations have shown more interest in the concept of TQM. As the expectations of customers and potential customers have expanded, hotels everywhere have considered that quality implementation is an important competitive component in the global market. Therefore, total quality management has become popular in the hospitality industry and, therefore, is increasingly important for the hotels management, especially due to the existence of high global competition.

The quality management in the hospitality department is a participatory process that allows all levels of employees to work in groups in order to meet customer expectations and determine the best way to exceed those expectations. Through their process of organization and management, the accommodation units are called upon to adapt to many changes in order to produce and provide services that are tailored to the clients' requirements.

One particularity of the hotel management refers to the fact that the accommodation units offer their customers a product that has, both tangible and intangible elements. The intangibility of the hospitality product (the service) makes it difficult to satisfy the customers, because any failure of the hotel services leads directly to the dissatisfaction of the customers, not being enough time to repair that defect before reaching the customer.

On the other hand, the perishability of the hospitality product makes it difficult to meet the needs of the client, because the hotel cannot sell tomorrow the rooms and restaurant places that were not occupied today. This adds pressure on the quality of the hospitality sector, because the customer would not buy the product if it did not meet his expectations.

The fact that the hospitality product can be easily duplicated makes it difficult to satisfy its client, because the competition would be rigorous and extensive. As a result, quality management in the hotel field should ensure customer loyalty by offering the service that meets or exceeds their expectations.

The implementation of a quality management system covers every aspect of the hotel's performance. Two general benefits for designing and implementing the quality management systems in a hotel include meeting clients requirements that help foster trust in the organization, leading in turn to increased customer numbers and profit.

The implementation of TQM ensures the quality of work of each employee, thus improving the efficiency of the operation and avoiding the costs associated with the failures and dissatisfaction of the clients. The implementation of TQM implies that organizations change the way they work to eliminate inefficiency, in order to improve customer satisfaction and achieve the best results.

The relationship between the TQM practice and hotel performance is significant in a cross-sectional way, as the intensity of TQM practice explains a significant proportion of performance variation. The leading segments of a company, the management and the focus upon the clients are the strongest predictors of the operational performance. Furthermore, the findings have shown that higher levels of performance within a hotel are significantly correlated with more intensive use of TQM practices.

### **3. Research methodology**

The research approach for the research study is the Descriptive Research, using quantitative method. Also, the need to explain the benefits of TQM in the hotel industry also required the collection of quantitative data. This involves collecting data from different hotels that have implemented and have not implemented a quality management system in order to deduce the differences between them in terms of performance.

The data collection was carried out by applying questionnaires to both hotel management and tourists, in order to identify the degree of customer satisfaction, the performances obtained by hotels in terms of number of tourists, the degree of occupancy of the offered tourist capacity, as well as the income realized.

These questionnaires were sent directly to the respondents by the researchers, which gave the researchers the privilege of introducing the subject and encouraging them to answer the questionnaire. The questionnaires were followed by four major parts, which focus on the areas of interest of the research. These parts refer to customer satisfaction, staff satisfaction, the number of tourists received in the examined accommodation units (in a certain period) and the income obtained.

Each of these major parts was identified by applying a set of items to the persons staying at the targeted hotels, as well as to their staff and managers. Thus, in terms of customer satisfaction, the aim was to obtain feedback on the services they benefited from, by noting the different aspects of the stay (staff training, cleaning, other facilities) on a satisfaction scale from 0 to 10. Then, it was obtained, by correlating them, the total degree of customer satisfaction with the services received both at hotels with an implemented quality management system and at those that did not have such a system implemented.

In order to clarify the other aspects, a questionnaire with 22 items was created addressed to the staff of the analyzed hotels. By applying this questionnaire it was sought to obtain information regarding the satisfaction of the staff, who had the possibility to choose a number related to their degree of satisfaction on a scale from 0 to 10.

In addition, there were obtained concrete information, figures and statistics, regarding the number of tourists who visited the hotels in a given period and the income obtained, in order to finally see which is the performance that can be achieved by implementing a system of quality management. The quality management system involves the training of a large number of factors, which will eventually lead to obtaining a higher quality of services, that will attract more customers and, finally, a higher profit.

#### 4. Results

Following the application of the questionnaire addressed to the clients, in order to find out the satisfaction obtained from the hotel services from which they benefited, the obtained results show a clear difference between the satisfaction of the hotel's clients, with an applied quality management system, compared to the others.

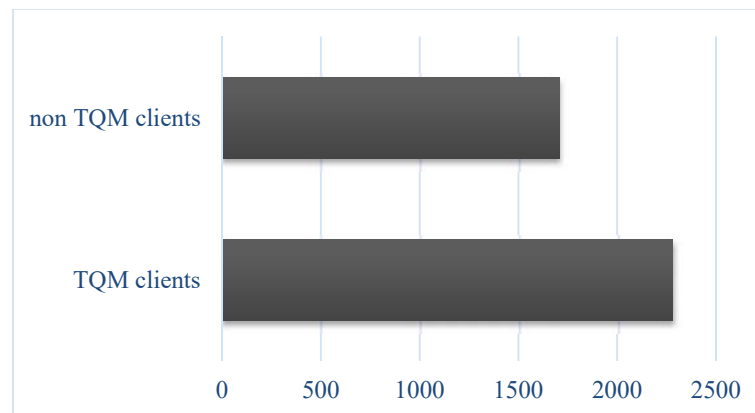
*Table no.1 The level of satisfaction of hotel's customers with and without TQM*

Clients	Satisfaction regarding the room	Satisfaction regarding the personnel	Satisfaction regarding other facilities	Total
<b>TQM Clients</b>	634	708	940	2282
<b>Non TQM Clients</b>	492	564	652	1708

*Source:* Authors' contribution, based on the data obtained from the questionnaire

It has been obtained quite a large difference between the results obtained from the two categories of respondents, with a predominance of the services offered by hotels with a quality management system.

*Figure no.1. Clients satisfaction towards the services they have benefited from to hotels with and without TQM*



*Source:* Authors' contribution, based on the data obtained from the questionnaire

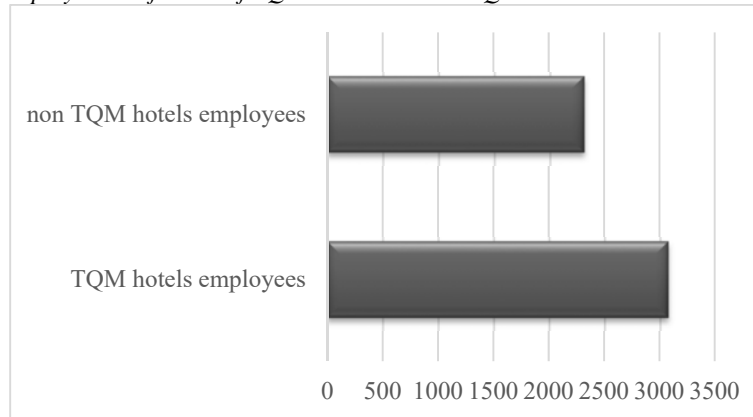
In the second part of the study the questionnaire was applied to determine whether there was a significant difference between TQM hotels and non-TQM hotels and also to identify whether the hotels benefiting from a TQM system are more efficient in their operation, than hotels that do not have a TQM system. Following the analysis, we obtained the following results.

*Table no.2 The level of satisfaction of employees from hotels with and without TQM*

	Salary	Team work	Working conditions	Other benefits	Total satisfaction
<b>TQM Hotels</b>	642	786	802	846	3.076
<b>Hotels without TQM</b>	425	540	640	704	2309

*Source:* Authors' contribution, based on the data obtained from the questionnaire

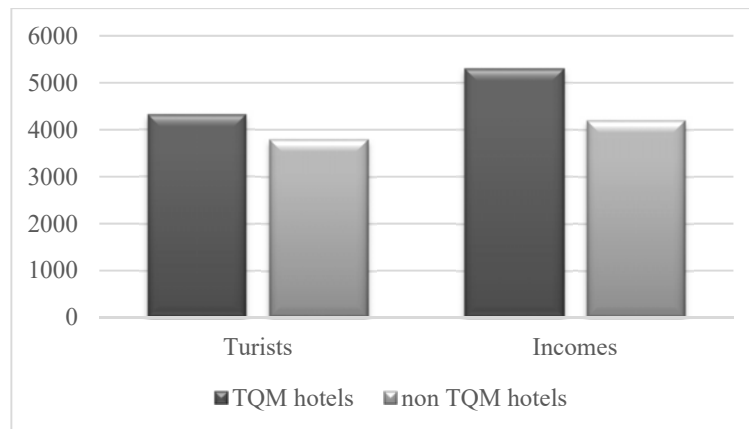
Figure no.2 Employee satisfaction of TQM hotels and non-TQM hotels



Source: Authors' contribution, based on the data obtained from the questionnaire

As we can see, TQM employees are satisfied with the management and the benefits received, the teamwork and the working conditions offered, which means that they, in turn, are efficient in maintaining the quality of the hotels they work for. This is also demonstrated by the number of tourists received in the TQM accommodation units analyzed and the income obtained by them.

Figure no.3 The incomes and the tourists of TQM hotels and non-TQM hotels between 01.02 – 01.08.2019



Source: Authors' contribution, based on the data obtained from the questionnaire

And regarding the number of tourists and the income obtained by the hotels analyzed during the period 01.02.-01.08. 2019, the hotels with an implemented quality management system have achieved better results. This means that the services offered by the hotels with TQM were significantly higher than those offered by the hotels that have not yet implemented this system. We thus realize that, although not an obligation, the implementation of such a system is a real necessity nowadays.

The results of this research attest to the benefits that result from the implementation of TQM. It has shown that it is a strategic tool for any hotel that wants to gain a high position in a competitive market. If implemented properly, the principle adds value to an organization of any kind in terms of operating efficiency, employee satisfaction, customer satisfaction and even profitability.

## 5. Proposals and recommendations

Following this study, it is proposed that hotels implement a quality management system for its ability to enable a better performance, a multi-faceted construction, which has been measured by financial performance, operational performance, quality of services, customer satisfaction and employee satisfaction and relationships.

The implementation of TQM is also recommended due to the fact that it can have an impact on financial performance, either directly or indirectly. The direct connection is established by reducing the costs resulted from improving the quality, while the indirect connection is established through a better customer satisfaction and by improving the subsequent financial performance.

Continuous improvement of services in the hotel industry brings added value to the customers, making the organization to focus on meeting customer needs, while teamwork and training empowers employees to contribute to the continuous improvement of the organization. TQM is a strategy tailored both to the clients, to satisfy their needs and desires, but also to the employees and the benefits that they can obtain, as well as to the management of the organization and the incomes obtained. Therefore, the implementation of an integrated quality management system is as justified as possible.

Pointing out that total quality management encourages skills in knowledge generation and exchange in the market to increase the value and satisfaction of customers for their services, we believe that the implementation of a quality management system should be a prerequisite for hotels that make their own long-term operating plan.

Also, it is advisable to carry out several studies, covering all hotel departments, to demonstrate the efficiency of TQM implementation while using a representative sampling technique.

## 6. Conclusions

The hotels which have implemented TQM are more efficient and performant in their operation, than hotels that have not implemented a TQM system. This is supported by the data obtained, as the contribution of the hotel employees and the management for the effective operation of the TQM in the hotel has taken a positive value.

Therefore, the empirical results support the proposition that TQM leads to overall performance improvement in the hotel industry and that each unit wishing to raise its quality standards needs to implement a quality management system.

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